

Clatsop County



RURAL LAW ENFORCEMENT DISTRICT FINANCIAL PLAN

Prepared By



8201 164th Avenue NE, Suite 300
Redmond, WA 98052
tel: (425) 867-1802
fax: (425) 867-1937
www.fcsgroup.com

April 18, 2006



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Mr. Thomas Bergin, Sheriff
Mr. Scott Derickson, County Administrator
800 Exchange Street Suite 310
Astoria, Oregon 97103

Subject: Rural Law Enforcement District Financial Plan

Dear Mr. Bergin and Mr. Derickson:

We are pleased to submit our final report summarizing our research on the County's Rural Law Enforcement District (RLED) and our recommendations regarding a long range financial plan for the District. The final report reflects comments received about the draft report and also incorporates a separate County forecast scenario based on the County's recommended changes and updates in revenue and expenditure assumptions from the original analysis and forecast scenarios.

Based on our analysis, the County needs to take a number of steps to ensure the RLED's long term financial stability. Without high timber revenues or a property tax increase, the current expenditure levels may not be sustainable beyond the next three to four years. To maintain sufficient fund balances in the future, the County should increase the property tax rate as well as reduce expenditures. If actual timber revenues vary significantly from the average, the County may need or want to make additional adjustments to the property tax rate or expenditures in the future. The recommended fund balance policies for working capital, equipment replacement, and revenue stabilization should help to further offset negative fluctuations in timber revenues.

We appreciated the assistance from your staffs in gathering data and in scheduling our interviews. If you have any questions, please do not hesitate to contact us (425) 867-1802 ext. 228.

Very truly yours,

Peter Moy
Principal

Enclosures

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I. INTRODUCTION

Clatsop County recently prepared a long term financial plan for its General Fund and its Special Projects Fund. As part of the County's continuing efforts to effectively manage its finances, a long term financial plan for its Rural Law Enforcement District (RLED) is also needed to guide the District's finances. As part of the financial plan, the County wanted to assess the RLED's current financial status, identify key financial policy issues, and recommend actions that the County should take to maintain the RLED's financial health.

To prepare this financial plan, FCS Group's scope of work involved the following:

- Interviewing 15 key RLED stakeholders from the District's Advisory and Budget Committees, the County Administrator's Office, and the Sheriff's Office,
- Analyzing RLED past and current revenues and expenditures,
- Identifying financial issues and policies,
- Developing preliminary revenue and expenditure forecasts based on FY 2005-2006 budget data, and
- Providing revised revenue and expenditure forecasts based on the County's preliminary recommendations for meeting the RLED's long term financial needs.

This report includes actions recommended by the Sheriff's Office after the County reviewed the forecasts and recommendations in the draft report. The report and forecasts are based on the FY 2005-2006 budget, but the Sheriff's actions and assumptions are based on a preliminary RLED FY 2006-2007 budget. Consequently, there are differences in the forecasts found in Appendix D compared to the initial forecasts in Appendices A, B, and C.

The Rural Law Enforcement District

In 1993 Clatsop County's Sheriff proposed a Rural Law Enforcement District as a means to achieve a stable funding base for non-mandated services provided by the Clatsop County Sheriff's Office within unincorporated Clatsop County. The proposed District also provided a means to enhance the level of law enforcement services provided to the District's residents. The Sheriff proposed to raise the number of officers per one thousand residents from .47 to 1.01. Increased staffing and establishing resident deputies in the Knappa/Svensen and the Jewell communities were proposed as well as additional staffing for supervision, administration, clerical, and case management. The proposal further assumed that the County's General Fund would fund all mandated law enforcement services. Mandated services are those that are required by state statute or county charter, such as a jail, district attorney, or juvenile services, and although a service can be mandated, there is no mandated level of service.

The RLED was formed by the County's Board of Commissioners in May, 1994, and in the November, 1994 election, the voters approved an \$895,000 tax base for FY 1995-1996. Additional funding from timber revenues was estimated at \$300,000. As part of creating the RLED, a citizens advisory committee was also established to provide local input to the County Sheriff on issues concerning service levels, enforcement priorities, and general operation of the District. The Advisory Committee was also responsible for submitting an annual budget for the

RLED to the County's Board of Commissioners. The Committee consists of five members elected from five zones within the District.

The initial FY 1994-1995 cost estimate was the following:

	FY 1994-1995 Estimated Costs
Existing Non-Mandated Services	\$ 419,736
Proposed Enhanced Services	<u>\$ 590,506</u>
Total Cost	\$1,010,242

As part of the initial financial projections, Exhibit 1 also shows the forecasted revenues and expenditures for the RLED, which included a phased start-up.

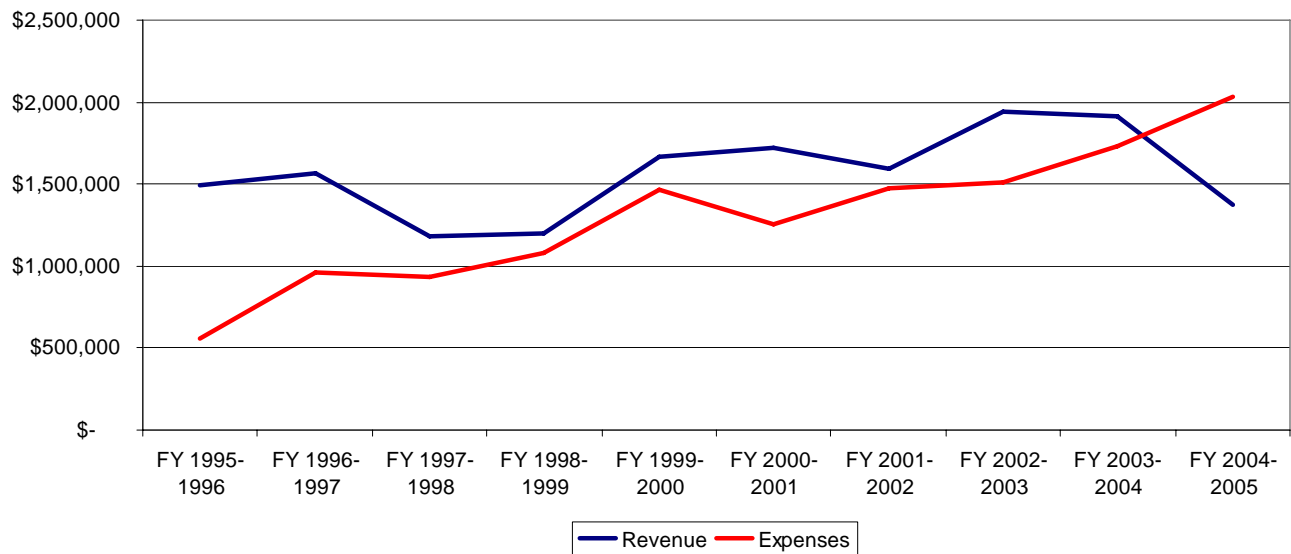
**Exhibit 1
 Initial Budget Projections**

Budget Category	FY 1995-1996	FY 1996-1997	FY 1997-1998	FY 1998-1999
<u>Revenues</u>				
Beginning Fund Balance	-	\$354,600	\$278,430	\$332,390
Property Taxes	\$805,500	\$853,830	\$905,060	\$959,363
Timber Sales	<u>\$300,000</u>	<u>\$300,000</u>	<u>\$300,000</u>	<u>\$300,000</u>
Total Revenues	\$1,105,500	1,508,430	1,483,490	1,591,753
<u>Expenditures</u>				
Personnel	\$562,100	\$794,400	\$849,900	\$910,100
Materials & Services	\$145,300	\$197,300	\$209,100	\$221,600
Capital Outlay	<u>\$ 43,500</u>	<u>\$238,300</u>	<u>\$92,100</u>	<u>\$97,900</u>
Total Expenditures	\$750,900	\$1,230,000	\$1,151,100	\$1,229,400

II. HISTORICAL FINANCIAL PERFORMANCE

As originally envisioned, the RLED's dedicated funding mechanism has provided a stable funding source for the services provided to District residents. Although the initial discussions assumed that property taxes would be sufficient to sustain the RLED, the voters approved various property tax measures that have limited the property tax revenues. The revenue from the timber sales, however, has exceeded the initial projections. Since the RLED's first fiscal year in FY 1995-1996, actual revenues have exceeded actual expenditures. In FY 2004-2005 budgeted expenditures excluding the contingency budget, however, were planned to exceed revenues by about \$818,100. Exhibit 2 shows the actual revenues and expenditures from FY 1995-1996 through FY 2003-2004 and the budgeted revenues and expenditures for FY 2004-2005.

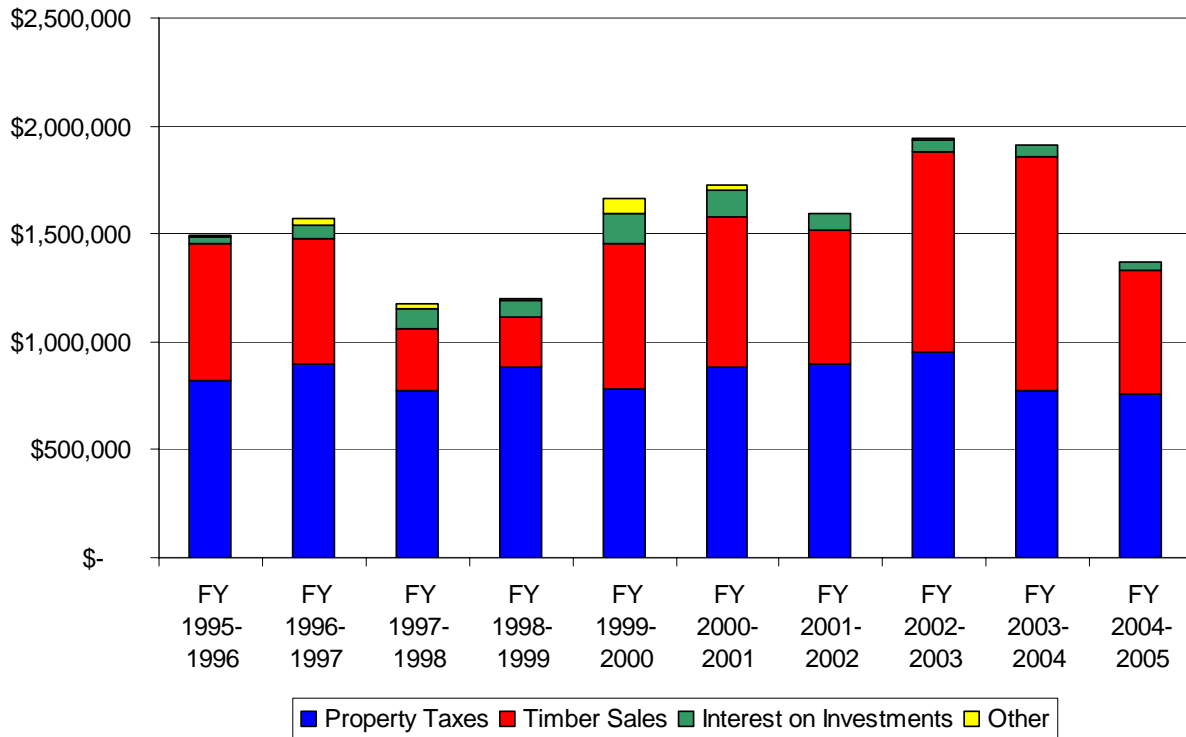
Exhibit 2
RLED Revenue and Expenses



Over the past ten years there are a number of revenue and expenditure trends that have contributed to the current RLED financial position and that will impact the RLED's future finances.

The primary RLED revenues are from property taxes and timber sales as shown in Exhibit 3.

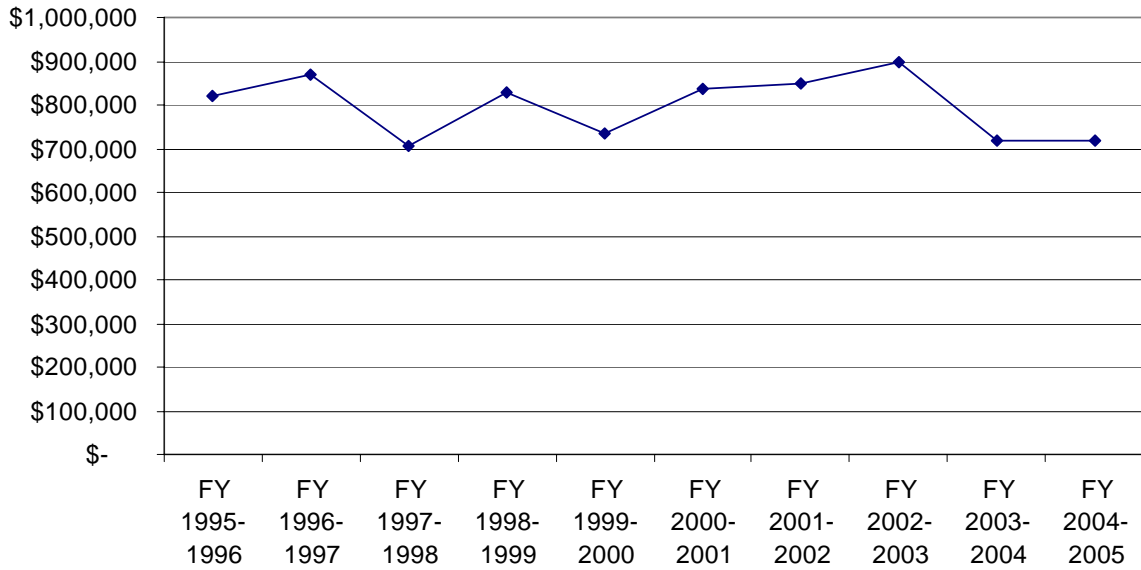
Exhibit 3
RLED Revenues by Category



Trends for the two primary revenue sources and the RLED fund balance are the following:

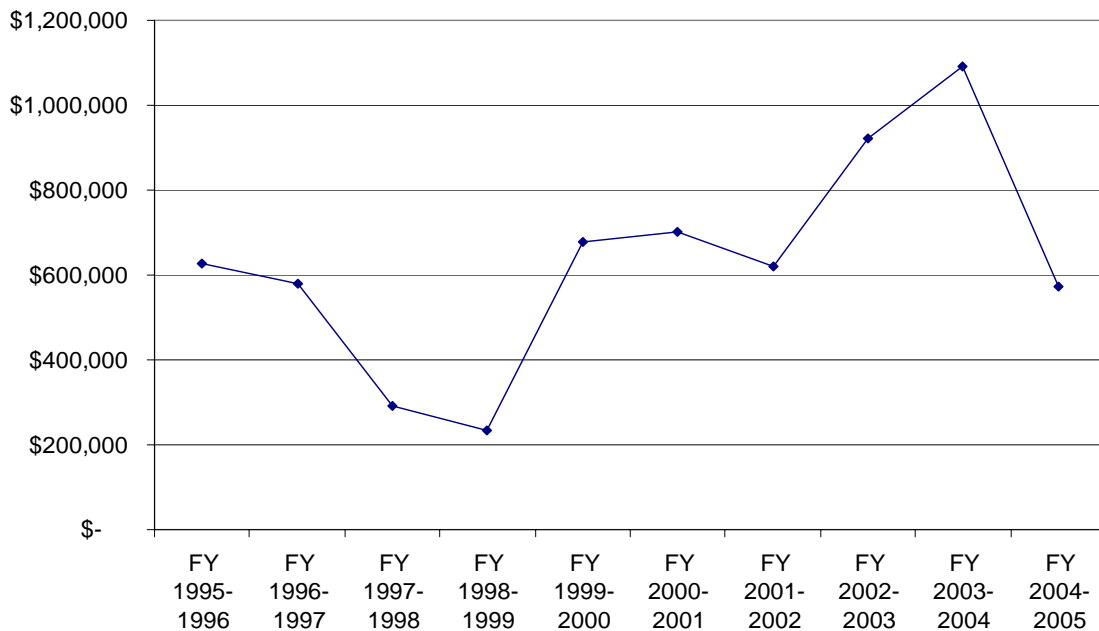
- Over the past nine years, property taxes have averaged -.7% in annual growth. This is a result of large property tax reductions in a few fiscal years. The property tax revenue has been affected by the passage of Measures 47 and 50, a large property tax appeal decision three or four years ago, and a County initiated 20% reduction in the property tax assessment. Because of the RLED’s large fund balances, the current property tax rate has been reduced to \$.5756 per \$1,000 of assessed value compared to the maximum of \$.7195. Property taxes initially represented 55% of the revenues and reached a high of 69% in FY 1998-1999. In other years, property taxes have represented a low of 38% in FY 2003-2004 with several other years between 44% and 49%. Exhibit 4 shows the property tax trend.

**Exhibit 4
 Property Tax Revenues**



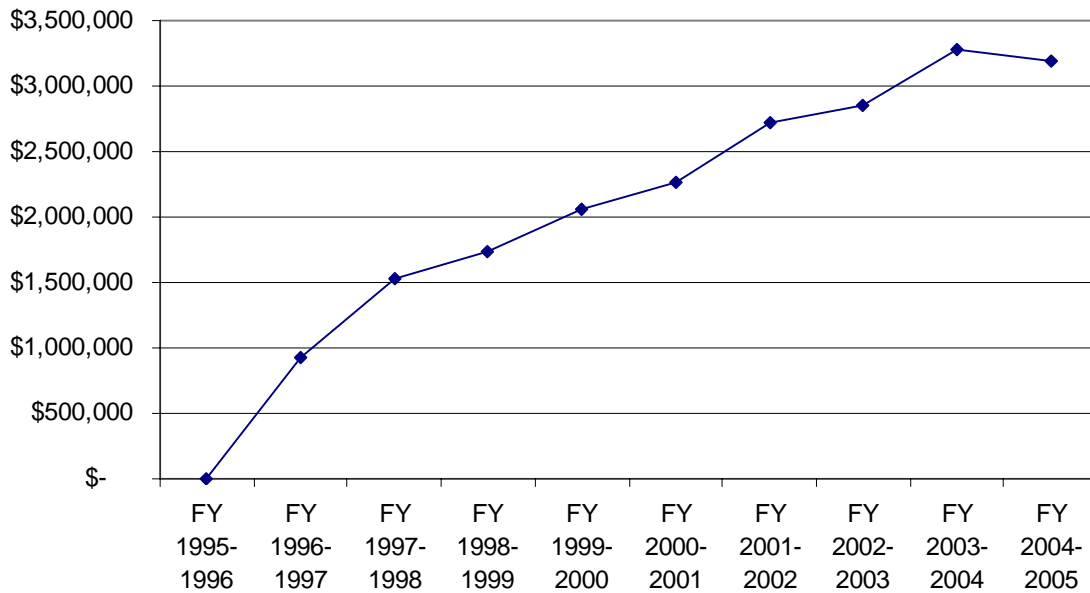
- In contrast to property tax revenues, revenues from timber sales have averaged 13.9% annual growth because of some very large increases. Exhibit 5 shows the trend in timber sales revenues.

**Exhibit 5
 Timber Sales Revenue**



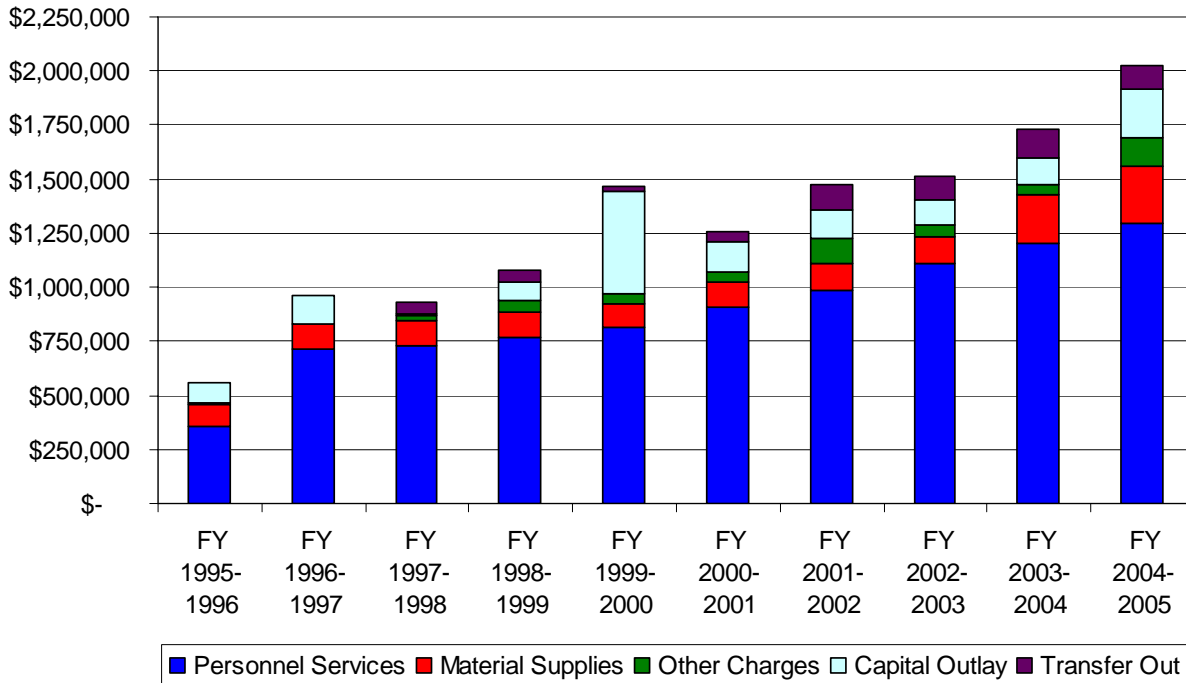
- Because revenues have exceeded expenditures, the RLED fund has been able to increase its fund balance including contingency funds over time. Exhibit 6 shows the growth over the past 10 years.

Exhibit 6
Beginning Fund Balances Including Contingency Funds



The RLED's FY 2004-2005 budgeted expenditures were 111% higher than the actual expenditures for FY 1996-1997, the first fully staffed year. Personnel costs are the primary RLED costs and have usually represented more than 70% of the expenditures except in FY 1999-2000 when there was a large capital budget to build two Sheriff's substations. The FY 2005-2006 personnel budget represents an increase of 102% since FY 1996-1997. The personnel costs include added costs for the Drug Task Force and the Marine Patrol. Other costs have also increased significantly, such as materials and supplies, other charges, and transfers out. Other charges and transfers out include emergency communications, County indirect costs, and insurance. Exhibit 7 shows the expenditures by category for the past ten years.

**Exhibit 7
Ten Year RLED Expenditure History***



* FY 2004-2005 represents budgeted expenditures

Since FY 1998-1999, the RLED has added almost five positions. Exhibit 8 shows the positions supported by the RLED.

**Exhibit 8
Full Time Equivalent Positions by Classification
FY 1998-1999 to FY 2005-2006**

Position	FY 1998-1999	FY 1999-2000	FY 2000-2001	FY 2001-2002	FY 2002-2003	FY 2003-2004	FY 2004-2005	FY 2005-2006
Staff Assistant	1.0	1.0	1.0	1.5	1.5	1.5	1.7	1.7
Chief Deputy	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Sergeant	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Special Detective	0.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Senior Deputy Sheriff	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Deputy Sheriff	3.0	3.0	3.0	3.0	4.0	4.0	5.0	5.0
Resident Deputy Sheriff	<u>2.2</u>	<u>2.2</u>	<u>2.2</u>	<u>3.2</u>	<u>3.2</u>	<u>3.2</u>	<u>3.2</u>	<u>3.2</u>
Total FTEs	13.5	14.5	14.5	16.0	17.0	17.0	18.2	18.2

One of the objectives of the initial RLED proposal was to raise the number of officers per one thousand residents from .47 to 1.01, but as shown in Exhibit 8 the number of officers has increased 23% since FY 1998-1999. As a result, the number of officers per one thousand residents has increased from 1.0 to 1.2 officers. According to the Sheriff's Office, the decision

to increase the number of officers was based on responding to citizen desires, complementing services with non-traditional programs, and increasing patrol time by adding detectives. Exhibit 9 shows the number of officers per one thousand residents.

Exhibit 9
Officers Per Thousand Residents
FY 1999-2000 to FY 2005-2006

	FY 1999- 2000	FY 2000- 2001	FY 2001- 2002	FY 2002- 2003	FY 2003- 2004	FY 2004- 2005	FY 2005- 2006
Number of Officers	13.2	13.2	14.2	15.2	15.2	16.2	16.2
District Population	13,238	13,245	13,270	13,450	13,390	13,420	13,470
Officers / 1,000	1.00	1.00	1.07	1.13	1.14	1.21	1.20

Conclusions

Historically, the RLED's financial position has been very strong as indicated by its fund balance and its recent property tax decrease. The RLED has achieved its current financial position because of the following:

- Actual revenues have exceeded actual expenditures every year until the FY 2004-2005 budget,
- Revenue growth has been caused by revenues from timber sales that have significantly exceeded initial expectations, while property taxes have remained stable,
- The RLED fund balance has reached a level where the fund balance is larger than the RLED's annual expenditures, and
- Citizen pressure to reduce tax rates because of increasing surpluses.

Although the RLED has been financially successful in the past, the RLED's finances have reached a point where its strong financial position may not be sustainable. The trends that have affected the RLED's sustainability include the following:

- Personnel costs, which represent about 70% of the RLED's costs, have grown over 100% since FY 1996-1997. In FY 2005-2006 the RLED's budgeted personnel costs exceed the budgeted property tax and timber sales revenues,
- Personnel costs have grown because the service levels have been increased beyond the initial one officer per 1,000 residents,
- Because the revenues have exceeded expenditures, fund balance has been used recently to support annual operating expenditures, even though the timber revenues have fluctuated widely, and
- The full cost of the RLED's services and capital requirements were not initially identified and funded.

Based on these trends, Chapter IV will forecast future revenues and expenditures and identify the steps needed to make the RLED's services sustainable.

III. FINANCIAL ISSUES AND POLICIES

The historical trends identified in Chapter II reflect the County's program and financial policies that guide the RLED revenues and expenditures. As part of the financial planning process, members of the RLED's Advisory and Budget Committees, the Sheriff's Office, and the County Administrator's Office were interviewed about the RLED's financial policies and practices. These different stakeholders provided their perspectives on past, current, and future financial issues. All the stakeholders believe that improved financial policies and a long range financial plan are useful, but there is not agreement or a preference about what the financial policies should be or how they should be applied.

Stakeholder Issues

Several different issues and concerns were raised about the RLED's finances and financial practices from the different groups of stakeholders. There are three major issues.

- Because of the concern about revenues from timber sales and because the amount of fund balance is high, there is a question about what the appropriate size of the fund balance and contingency budget should be. There is also an overall concern about the variability in timber sales revenue and the potential for revenue shortfalls, especially if there is another voter measure that potentially reduces revenue from timber sales.
- Most RLED Advisory and Budget Committee members strongly believe that RLED funding should only support the local non-mandated services primarily provided by the Sheriff's Office Criminal Division and should not be used for other County costs associated with the RLED. Those members involved with the RLED since its inception noted that a primary concern about other services was that RLED taxpayers should not pay twice for services that are being provided to all County residents. A couple of members, however, did believe that other services could be funded, but not at the expense of the local Sheriff's patrols.
- County concerns involve the cost of supporting the RLED with other criminal justice services such as those involving the jail, juvenile facilities, and the District Attorney, the difference between current revenues and expenditures, and equipment and capital purchasing and replacement.

Contingency and Reserve Funding

Because revenue from timber sales varies from year to year and the additional revenue from timber sales has been more than what has been needed to balance the budget, the RLED has accumulated a very large fund balance including the contingency reserve. Even as expenditures have been increasing, the total RLED revenues have increased more than expenditures as shown in Exhibit 2. By the FY 2005-2006 budget, the beginning fund balance was estimated at \$3,045,900 or 132% of the proposed RLED expenditures excluding the contingency budget that was budgeted at \$1.744 million. The RLED Advisory Committee recommended a \$2.1 million

contingency limit and a 20% reduction in the RLED property tax assessments in the years that the contingency exceeds the \$2.1 million limit.

The contingency and the remaining fund balance can serve several purposes.

- Provide working capital for the fund to support its cash flow needs,
- Provide reserves for equipment and other capital expenditures, and
- Stabilize funding when there are revenue shortfalls.

Concerning working capital and cash flow needs, the County already has an existing policy for funding General Fund contingencies that could also be applied to the RLED. The policy for the FY 2005-2006 budget was the following.

“For the General Fund, place at least 10% of the Fund’s appropriation, but in no case less than \$1.2 million into the Fund’s operating contingency with the expectation that most of the money will not be spent and will become part of the 2006-2007 beginning fund balance.”

If the 10% amount were applied to the RLED, the amount of reserved fund balance for working capital would be \$231,550. Because the RLED funds are not currently used to pay specific costs directly from the fund and are transferred into the General Fund to pay RLED’s costs, the General Fund’s reserve may already account for the RLED expenditures.

Another use of the fund balance can be to provide reserves for equipment and capital replacement items. The major equipment costs for the RLED are related to patrol vehicles. Each year the RLED is purchasing equipment, and the Sheriff’s Office uses a five year replacement schedule for patrol cars. The Sheriff’s Office provided a replacement schedule for its vehicles, and based on this schedule, a fund balance reserve schedule was developed. To calculate the annual reserve amount, an annual amount for each vehicle is reserved based on its replacement cost and its life cycle. The reserve amount changes each year as funds are reserved based on the increasing amount amortized for each vehicle and the amount used to purchase new vehicles. This type of reserve policy is often used for equipment and vehicle replacement and reserve funds, but an alternative policy would be to establish the reserve amount based on cash flow needs for replacement purchases.

Based on the Sheriff’s Office original replacement schedule and the reserve amount for the planned vehicle and canine replacements that should have been available at the end of FY 2005-2006, Exhibit 10 shows the future reserve amounts and the replacement expenditures needed each year for the next ten years. This schedule assumes that for jointly funded vehicles, the RLED would contribute 65% of the cost. As part of the County’s preliminary actions concerning the draft report’s recommendations, the Sheriff’s Office revised the vehicle replacement schedule. The revised schedule is used in the forecast scenarios found in Appendix D.

Exhibit 10
Annual Replacement Reserve and Expenditure Amounts
Based on the Original Replacement Schedule

Fiscal Year	Reserve Contribution	Replacement Expenditures	Reserve Balance
2005-06	-	-	\$270,923
2006-07	\$98,917	\$79,625	\$290,215
2007-08	\$98,917	\$ -	\$389,133
2008-09	\$104,683	\$180,353	\$313,463
2009-10	\$109,786	\$159,538	\$263,711
2010-11	\$111,709	\$60,355	\$315,065
2011-12	\$113,689	\$62,166	\$366,588
2012-13	\$115,234	\$47,762	\$434,060
2013-14	\$120,327	\$159,884	\$394,504
2014-15	\$126,602	\$195,716	\$325,390
2015-16	\$130,519	\$122,159	\$333,750
2016-17	\$116,106	\$72,068	\$377,788

To address the volatility of the timber sales revenue and any potential revenue shortfalls, there should be enough in the contingency and unreserved fund balance to provide enough funding to allow the County enough time to make revenue or expenditure adjustments, if necessary. The amount needed could be based on the minimum amount of timber revenue expected, and the length of time needed to support the RLED expenditures. For example, the County has a policy of retaining a timber sales amount in the General Fund that is equal to no more than the lowest year of actual timber sales revenues over the last fifteen years. Any revenues greater than that are transferred to the Special Projects Fund. Using the same conservative principle to determine how much should be in the reserve, the lowest amount of timber revenue that would be used to calculate the RLED reserve is \$232,500. In addition to the timber revenue, the current year's property tax revenue would also be used to determine how large the reserve should be.

The next step is to determine the length of time needed to implement actions that will balance the revenues and expenditures. For example, the RLED could provide its budgeted services for an entire year, while it determines if adjustments are needed for the next year. Before making adjustments by raising property taxes or reducing expenditures, the County could review the next year's state forecasted timber revenues before it selects a course of action as part of the next year's budget. Applying this principle to FY 2005-2006 results in establishing a one year contingency account for revenue shortfalls of \$1,350,000 (e.g. \$2,315,500 minus \$232,500 minus \$733,000). The overall formula also accounts for the vehicle replacement purchases since a reserve is already set for those expenditures. A one year stabilization amount is calculated based on the following formula:

Total Expenditures	Minus	Vehicle Expenditures	Minus	Lowest Timber Revenue	Minus	Current Property Taxes
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Based on the above discussion, Exhibit 11 shows the total amount of contingency and fund balance needed to meet the three reserve requirements. The amount is slightly lower than the \$2.1 million that was recommended by the RLED Advisory Committee.

Exhibit 11
Fund Balance Amounts By Purpose

Purpose	FY 2005-2006 Amount
Working Capital/Cash Flow	\$231,550
Equipment Account	\$270,711
Revenue Stabilization Account	<u>\$1,350,000</u>
Total	\$1,852,261

If revenues from timber sales are higher than the amount budgeted, the additional revenue should be used to increase the reserves to the targeted amount, and if the excess revenues are greater than what is needed for the reserves, the County can either increase the reserves for the year, decrease the property taxes, make one-time expenditures, or use the excess revenues to support the following year's expenditures if there is a deficit.

Based on these three reserve issues, the County is now considering the following reserve policies:

- Maintain a 10% amount for cash flow,
- Establish the vehicle equipment reserve at \$150,000 to meet long term cash flow needs for replacing vehicles, and
- Consider establishing a two year revenue stabilization amount.

Expenditure Policies

Based on the stakeholder interviews, the County has not formally adopted policies guiding RLED's expenditures, but the Sheriff's Office uses a 65% RLED to 35% General Fund split as a general guideline to divide costs between mandated and non-mandated services in the Criminal Division. Other policies include the following:

- For the Marine Patrol Division, the RLED contributes 47% of the cost the local share, while the General Fund contributes 53% of the cost. The state also provides funds as well as specific program requirements.
- For the Drug Task Force, the RLED pays about 74% of the cost, while the General Fund contributes 26% of the cost.
- For vehicles funded jointly by the RLED and the General Fund, the RLED contributes 65% of the cost compared to 35% for the General Fund.
- Support Division costs are generally targeted for an RLED percentage of 35% of the costs. Although the RLED Criminal and Support Division percentages are overall

targets, a review of the individual non-labor line items for the two divisions indicates that other percentages are used depending on the line item. According to the Sheriff's Office, some of these different percentages are based on actual use or specific allocations for the RLED.

After reviewing the percentage shares and guidelines, there are some clear distinctions between mandated and non-mandated services, but the distinction is less clear for services that are regional, such as the Drug Task Force and the Marine Patrol Division. Such services provide rural non-mandated services as well as services to other County residents or areas outside of the RLED. As noted above, the RLED has different percentage shares for each service. There does not seem to be a clear policy basis that is used to guide how costs should be shared specifically for the Marine Patrol and the Drug Task Force.

The State Marine Board provides 66% of the funding for the Marine Patrol Division, and the remaining funding is provided by the General Fund and RLED. Because of the state funding, the officers must perform specific activities and keep time records of how much time is spent on those activities. The Marine Patrol Division also performs other law enforcement activities that include patrolling areas only accessible by boat and responding to criminal matters such as boat or motor thefts. Because the officers already keep track of their time, they could also track the amount of time that they spend in the city versus RLED areas performing duties not funded by the state. Such time keeping could then be used to determine the next year's cost sharing percentages for the RLED and General Fund.

For the Drug Task Force, the RLED's 74% share of the costs was established after a federal grant ended. The Drug Task Force Sergeant is funded entirely by the RLED, and both the General Fund and the RLED fund the investigator position. The Sheriff's Office believes, however, that the RLED's percentage share should be the same as the percentage ratio used for the mandated and non-mandated services, 65% RLED and 35% General Fund.

The Task Force serves both the RLED and all cities in the County. In addition, other cities are contributing their own funds to support officers working on the Task Force or they contribute a small amount of funding to the County. Seaside provides one FTE to the Task Force. Because this is a non-mandated service, the RLED would normally be responsible for providing all the funding for the position, but because the Task Force is a regional service that also benefits other County residents, a percentage share might be more appropriate. Although the Sheriff's Office indicated that a majority of the activity occurs in the cities, regional funding implies that services are not specifically targeted toward one particular part of the County's population. Other County regional services may also serve either rural and city residents in a disproportionate manner. Population is an alternative for allocating costs for regional types of services. In 2005, the residents of the RLED represented 36.8% of the County's population, but for the Drug Task Force the RLED population represents slightly more than 44% of the population served excluding Seaside. In this cost sharing scenario, the General Fund and the RLED contribute an equal amount per capita for all costs including vehicle costs. If Astoria added a position to the Task Force, the RLED percentage would increase to 66%. If the Sheriff's Drug Task Force sergeant also has local RLED patrol responsibilities in addition to the Task Force duties, the RLED percentage share should increase accordingly. It should also be noted that the County's

budget policy regarding loss of federal funds is that General Fund discretionary dollars will not be used to back-fill any loss in State-shared or federal revenues.

Other RLED Related Costs

When the RLED was formed, the primary focus of the District was to provide funding for non-mandated law enforcement services provided by the Sheriff's Office. Other associated County costs of operating the RLED and supporting the Sheriff's Office were not originally included when the initial costs were being analyzed. Since 1995, different services have been added as described in the previous section, and these other costs have been incurred to support the RLED as well as other law enforcement activities. In FY 1997-1998, the RLED began to pay for related County costs that directly supported the RLED, such as emergency communications and the Drug Task Force as well as the indirect costs that were associated with the County's administrative support for the RLED. In FY 1999-2000 the Marine Patrol contribution was added, and in FY 2005-2006 the RLED is partially funding a drug court project.

The expenditure policies related to the Drug Task Force and the Marine Patrol were discussed in the above section. Costs for emergency communications are clearly a necessary cost of the RLED services and operations. The indirect costs are also appropriate because the RLED operates as part of the County's administrative structure (e.g. accounting and payroll processing). The County Commissioners have adopted a policy of full cost recovery, and the first priority is to recover the overhead costs from all funds and grant programs and from County Service Districts. Thus, the RLED is not treated any differently than other funds or service districts concerning indirect costs.

In a June 2004 memorandum, Clatsop County's County Counsel stated that if the County had an agreement with the District whereby the District pays for costs incurred by the County in assisting in the operation of the District, including indirect cost allocations for administrative services, then payment would be appropriate. The County Counsel stated that the statutes do not specify a particular level of service in arresting persons who break the peace or defending the County against those who endanger the public peace.

The drug court project is a project that extends the RLED services outside of the Sheriff's Office. The Sheriff's Office is the first part of the County's overall criminal justice system that also includes the District Attorney, courts, juvenile services, and corrections. Some of these services are mandated, such as corrections. While several stakeholders strongly believe that the RLED funding is only for the Sheriff's Office, other stakeholders identified the costs of these other parts of the criminal justice system as an issue. The County Commissioners also have a policy regarding dedicated funding sources that states the following:

“Whenever legally possible, transfer funding responsibility for existing programs or activities to appropriate dedicated funding sources, freeing up scarce discretionary resources to fund Board priorities.”

Based on a review of the documents initiating the RLED, a key concern for enhancing levels of service was providing a greater law enforcement presence to deal with disproportionate levels of

crime against persons, intimidation, and property crimes. The added resources were for improved law enforcement, crime prevention, and improvement in community standards of behavior. If other programs besides those provided by the Sheriff's Office can help the RLED improve or assist law enforcement and improve community crime prevention or community standards, such programs might be appropriately funded, especially if services are targeted only toward the RLED residents. A drug court project might be appropriate if it is helping to fulfill these objectives.

The County Counsel noted in her 2004 memorandum that the ballot title for establishing the RLED's tax base provides that the funds are to pay for all non-mandated law enforcement activities within the District. She states that these activities would be the same activities provided by city police within a city. Using this analogy provides some guidance for establishing funding policies with regard to other related criminal justice services. For non-mandated services outside of the Sheriff's Office, the stakeholders had some concerns about the RLED funding such services because they did not want to pay twice for services if cities also received the services. The opposite is also true where city residents should not subsidize services for the RLED. For example, if the County Commissioners passed specific ordinances that applied only to the RLED, the RLED would then pay the booking charge that cities pay because the violation is similar to a municipal violation in a city.

Because the County Commissioners have adopted a policy regarding the use of dedicated funding sources, the County should have policies that determine what is appropriate for the RLED to fund. For any service that might serve the RLED's residents, there are several key questions that can guide the basis for determining whether the RLED should contribute funding and how much should be contributed. These questions are the following:

- Is the service a non-mandated service?
- Does the service have an impact on law enforcement and crime in the RLED or does the RLED need the service to operate?
- Is the service only for the benefit of RLED residents or is it County-wide?
- If the service is County-wide, are cities or other jurisdictions paying fees, providing funding support to the County, or providing any in-kind support such as staff time?
- Can the amount of service provided to the RLED be measured or fairly allocated?

As previously discussed in the expenditure policies section, costs for regional types of non-mandated services can be shared based on population, workload statistics, or contribution formulas. If other jurisdictions pay for services, the RLED should also pay for the same service.

Conclusions and Recommendations

There are a number of informal and County-wide policies that have guided the RLED's finances and budgeting, but to assure that there is consistency and an agreed upon framework, the County should establish a set of formal financial policies that guide the RLED's overall finances, revenues, and expenditures. In addition, the RLED's initial budget did not identify all the costs associated with providing the RLED's services, and these costs appear to be appropriate for the RLED to pay. From a broader criminal justice system perspective, the RLED as well as other

local police agencies have a cost impact on the County, primarily the jail. However, the jail services are mandated, and besides estimated increases in the RLED's bookings, the greatest cost factor for the jail has been its increased operating costs.

In conjunction with the County's current budget policies, there are some key policies regarding reserves, regional services, and non-Sheriff's Office services that need to be established. Based on our analysis and review of the issues identified by the stakeholders, the following are recommended.

- The County should establish RLED reserve policies for working capital, vehicle replacement, and revenue stabilization. These reserves would be established as part of the RLED's contingency or unappropriated fund balance. The current 10% working capital figure used for the General Fund is also appropriate for the RLED. For vehicle and equipment replacement, the County should establish a reserve that is based on the amortized replacement value of the RLED's vehicles and equipment or the annual long term cash flow needs for replacement. To help offset the volatility of the timber revenue, the County should establish, at a minimum, a one year reserve for revenue stabilization that is equal to the current year's budgeted expenditures minus the current property tax and the lowest year's timber revenues.
- If actual timber revenues exceed the budgeted amount, the additional revenues should be used to increase the reserves to the appropriate level. If reserve targets are met, the additional revenues should only be spent on one-time expenditures that do not add to the RLED's annual operating costs or on a one-time property tax reduction.
- To determine if a service should be supported by the RLED and at what level, the County should conduct an analysis of any existing and proposed services that incorporates the following questions:
 - Is the service a non-mandated County service?
 - Does the service have a direct or indirect impact on law enforcement and crime in the RLED or does the RLED need the service to operate?
 - Is the service only for the benefit of RLED residents or is it County-wide?
 - If the service is County-wide, are cities or other jurisdictions paying fees, providing funding support to the County, or providing any in-kind support such as staff time?
 - Can the amount of service provided to the RLED be measured or fairly allocated to determine the RLED's share of funding?

As shown in the next chapter, the current budget will not support any new or additional RLED services, but the above recommendations will provide a continuing framework to evaluate services if timber revenues begin to exceed the current average or if new revenue sources are authorized.

IV. FINANCIAL FORECASTS

Based on the financial issues and policies identified and recommended in Chapter III, a number of different RLED financial forecasts were analyzed to assess the future financial health of the RLED. In Chapter II, a number of key factors were identified that affected the RLED's ability to maintain a strong financial position and sustain the services provided to the RLED's residents. In August 2005, the County prepared a forecast that analyzed the RLED's fund balance after five years and projected that by 2011 the ending fund balance would be about \$16,400.

A ten year forecast model was developed to test different RLED revenue and expenditure scenarios. As discussed in the previous chapter, a vehicle replacement and reserve schedule was also developed based on the Sheriff's Office most recent vehicle replacement plan. The replacement and reserve schedule identifies the annual vehicle expenditures and calculates an annual reserve amount to fund the replacement expenditures (this amount is based on a contribution for a vehicle's annual depreciation). The replacement expenditures and the reserve amounts were used in the forecast scenarios shown in Appendices A, B, and C.

Three different forecasts were analyzed to determine the impacts of different assumptions on the RLED revenues and expenditures. The FY 2005-2006 budget is used as the base budget after making adjustments to eliminate non-recurring expenditures. Key questions for the forecasts include the following:

- Under what conditions, if any, can the current RLED budget be sustained and for how long?
- What actions need to be taken to make the budget sustainable for at least five years or more?
- Can the RLED achieve the recommended reserve targets and under what conditions?

As noted from the historical trends, the timber sales revenue is the key factor in assuring that the RLED's services can be sustained. In the County's forecast, the revenue from timber sales was \$650,000, which is slightly higher than the average (\$600,824) and the median (\$627,697) revenue from timber sales. In developing the forecasts, the following key assumptions were used to analyze different scenarios.

- Property tax revenues grow at 1.5 % per year,
- The average timber sales revenue is \$600,824, and the lowest and highest revenues are \$232,500 and \$900,000, respectively,
- Inflation from 2006 through 2011 is based on the September 2005 Oregon Economic and Revenue Forecast for the Portland-Salem area, and the 2011 rate is used for the remaining forecast years,
- Vehicle replacement costs are based on the Sheriff's initial replacement schedule, and vehicle costs are inflated at 3% per year, and
- The average sergeant salary and benefits cost is \$87,932, while the average deputy salary and benefits cost is \$67,577.

Based on the current policies and the above assumptions, a ten year financial forecast was developed to assess the future financial position of the RLED. To determine what actions the Sheriff's Office and the RLED need to take to maintain the District's financial health, three different forecasts were analyzed with different timber revenue assumptions, and they are the following:

- Maintaining the current service level and current property tax rate,
- Maintaining the current service level but increasing the property tax rate to the full amount in FY 2006-2007, and
- Increasing the property tax rate in FY 2006-2007 to the full amount with expenditure reductions.

After the County reviewed the above three forecasts and their scenarios, the County requested an additional forecast using a preliminary FY 2006-2007 budget, a different vehicle replacement schedule, and different assumptions for property tax growth, interest rates, vehicle replacement reserves, and expenditure reductions.

If the RLED maintains the current service level and does not increase the property tax rate, the forecast shows that at the average and lowest timber revenue levels the RLED's continued deficit spending would deplete the current fund balance within three to four years and spending would need to be drastically cut to prevent further deficits. If timber revenues are at the average level, the RLED will have a negative fund balance (\$584,614) by the end of FY 2009-2010. At the lowest revenue level, the RLED will have a deficit by FY 2008-2009 (\$797,129), while at the highest revenue level the RLED will not see deficit until FY 2011-2012. In this forecast, overall target reserve levels cannot be achieved, but for a couple of years working capital and vehicle replacement reserves can be maintained. Appendix A shows these forecast scenarios.

If the RLED raises the property tax rate next year to maintain current services and if the timber revenues are at the average level, the forecast shows that the increased revenues will allow the District to provide current services for a year or more longer than if there is no tax increase. At the average timber revenue level, an increase in property taxes allows the RLED to continue current services to FY 2010-2011 when it will have a large deficit fund balance of \$477,803. Target reserve levels can be met for two years before the fund balance continues to decline below the target level. Even with a tax increase at the lowest level of timber revenue, the RLED will have a large negative fund balance (\$226,849) by FY 2008-2009. At the highest revenue level the RLED will not see deficit until FY 2013-2014. The forecasts are shown in Appendix B.

In both the above forecasts, when timber revenues are average or lower, the RLED faces potentially large deficits within the next five years, even if it raises the property tax back to its maximum rate. At some point in the future, the RLED will need to make significant expenditure reductions unless it can average the highest timber revenue level for the next five to ten years. Near term spending reductions are necessary to avoid depleting the fund balance as soon and to avoid making significant reductions in any one year. According to the Sheriff's Office, two sergeants might retire in FY 2007-2008 and FY 2008-2009, and these retirements might help to

reduce expenditures. Besides maximizing the property tax, the expenditure reduction strategies would be the following:

- Eliminate a deputy position in FY 2006-2007,
- Do not fill the retired sergeant's position in FY 2007-2008 and eliminate another deputy position, and
- Make the retired sergeant's position in FY 2008-2009 a deputy position instead of a sergeant.

As noted in Chapter II, the number of officers per 1,000 residents has increased to 1.2 officers per thousand from one officer per thousand. The three eliminated positions bring the number of officers back to the original service level. With average timber revenues, the RLED does not incur a fund balance deficit until FY 2012-2013, and until FY 2008-2009 the RLED can also meet its target reserve levels. If the timber revenues remain at their lowest level, the RLED will not incur a fund balance deficit of \$461,706 until FY 2009-2010. With the highest level of timber revenues, the RLED does not incur any fund balance deficits in the 10 years, and it is able to meet all of its target reserve levels until the last year. These different forecasts are in Appendix C.

As previously mentioned, the County developed another forecast scenario based on its preliminary FY 2006-2007 budget that reduces expenditures, levies the full the property tax rate, assumes annual property tax growth at 3%, changes the vehicle replacement schedule, and makes future staff reductions. Reserve amounts were established at 10% for working capital, \$150,000 for vehicle replacement, and two years for revenue stabilization. With average timber revenues, the RLED maintains a positive fund balance but has a declining fund balance that decreases from \$2.2 million in FY 2006-2007 to \$19,217 by FY 2015-2016. The RLED cannot meet its reserve targets if the County uses a two year revenue stabilization target. However, if the revenue stabilization amount is based on one year, the RLED can meet or exceed its reserve targets until FY 2011-2012. If there is no property tax increase, the RLED can only maintain a positive fund balance until FY 2009-2010. The forecasts are shown in Appendix D.

Conclusions and Recommendations

Based on an analysis of the different forecasts and their different revenue assumptions, the County is faced with potential RLED fund balance deficits in the next three to five years if no expenditure reductions are made. When such deficits occur, the necessary expenditure reductions could be quite large, and the County will not have any reserves for the RLED.

Without any immediate changes to the RLED's revenues or expenditures, the RLED's current service level cannot be sustained within the next five years unless the timber revenues are at the highest level for many years. If the RLED continues its current expenditure level and timber revenues are at an average level, the services can only be sustained until FY 2009-2010. If timber revenues are significantly less than average, the services can only be maintained until FY 2008-2009. Even if the County re-instates the maximum property tax rate next year and still funds the current level of service, the RLED only gains an additional two years with average timber revenues and gains only one year with the lowest timber revenues. In both forecasts and

scenarios, there are only one or two years when the RLED had enough fund balance to meet the recommended reserve targets.

From a long term perspective with average timber revenues, increasing the property tax and reducing expenditures over the next three to five years provide more financial stability to FY 2015-2016, while targeted reserve levels can be accomplished for the next five years. Even if the timber revenues are at their lowest level, the RLED will not have to deal with deficit fund balances until FY 2009-2010.

To provide the best opportunity to make the RLED services more sustainable in the future, the County should begin to make expenditure reductions beginning in FY 2006-2007 as suggested by the preliminary FY 2006-2007 RLED budget. Partly in response to the initial forecasts and scenarios, the County developed a forecast scenario that reduces expenditures over five years. Based on a preliminary FY 2006-2007 RLED budget, changes in the vehicle replacement schedule, future personnel reductions, and an increase in the property tax, the County has developed a scenario to respond to the long term sustainability of the RLED. The County should implement its preliminary plan, continue to monitor RLED property tax growth and timber revenues, and make adjustments to its forecast, as appropriate, when actual revenues or expenditures differ significantly from the forecast.

Appendix A
Status Quo Revenue and Expenditure Scenarios

Status Quo Scenario with Average Timber Tax Revenues

Revenues											
	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Beginning Balance	\$ 3,045,900	\$ 2,546,250	\$ 1,864,077	\$ 1,211,106	\$ 332,322	\$ (584,614)	\$ (1,452,659)	\$ (2,370,487)	\$ (3,323,326)	\$ (4,439,187)	\$ (5,643,310)
Property Taxes Current Year	\$ 733,000	\$ 743,995	\$ 755,155	\$ 766,482	\$ 777,979	\$ 789,649	\$ 801,494	\$ 813,516	\$ 825,719	\$ 838,105	\$ 850,676
Property Taxes Prior Year	\$ 36,000	\$ 36,540	\$ 37,088	\$ 37,644	\$ 38,209	\$ 38,782	\$ 39,364	\$ 39,954	\$ 40,554	\$ 41,162	\$ 41,779
Land Sales	\$ 500	\$ 512	\$ 522	\$ 534	\$ 547	\$ 560	\$ 575	\$ 591	\$ 607	\$ 623	\$ 640
West Oregon Severance Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on Investments	\$ 46,000	\$ 58,564	\$ 37,282	\$ 27,855	\$ 7,976	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Timber Sales	\$ 681,900	\$ 600,824	\$ 600,824	\$ 600,824	\$ 600,824	\$ 600,824	\$ 600,824	\$ 600,824	\$ 600,824	\$ 600,824	\$ 600,824
Cops Fast Grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 4,543,300	\$ 3,986,684	\$ 3,294,947	\$ 2,644,445	\$ 1,757,857	\$ 845,202	\$ (10,402)	\$ (915,601)	\$ (1,855,622)	\$ (2,958,473)	\$ (4,149,390)

Expenditures											
	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Personnel Services	\$ 1,433,700	\$ 1,466,675	\$ 1,496,009	\$ 1,530,417	\$ 1,567,147	\$ 1,606,325	\$ 1,649,696	\$ 1,694,238	\$ 1,739,982	\$ 1,786,962	\$ 1,835,210
Material Supplies	\$ 236,600	\$ 242,042	\$ 246,883	\$ 252,561	\$ 258,622	\$ 265,088	\$ 272,245	\$ 279,596	\$ 287,145	\$ 294,898	\$ 302,860
Other Charges	\$ 134,700	\$ 137,798	\$ 140,554	\$ 143,787	\$ 147,238	\$ 150,919	\$ 154,993	\$ 159,178	\$ 163,476	\$ 167,890	\$ 172,423
Capital Outlay	\$ 25,850	\$ 26,445	\$ 26,973	\$ 27,594	\$ 28,256	\$ 28,962	\$ 29,744	\$ 30,548	\$ 31,372	\$ 32,219	\$ 33,089
Transfer Out	\$ 166,200	\$ 170,023	\$ 173,423	\$ 177,412	\$ 181,670	\$ 186,211	\$ 191,239	\$ 196,403	\$ 201,705	\$ 207,151	\$ 212,745
Subtotal Expenditures	\$ 1,997,050	\$ 2,042,982	\$ 2,083,842	\$ 2,131,770	\$ 2,182,933	\$ 2,237,506	\$ 2,297,919	\$ 2,359,962	\$ 2,423,681	\$ 2,489,121	\$ 2,556,327

Contingency											
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Total Expenditures	\$ 1,997,050	\$ 2,042,982	\$ 2,083,842	\$ 2,131,770	\$ 2,182,933	\$ 2,237,506	\$ 2,297,919	\$ 2,359,962	\$ 2,423,681	\$ 2,489,121	\$ 2,556,327
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Adjustments											
	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Vehicle/Canine Replacement Cost		\$ 79,625	\$ -	\$ 180,353	\$ 159,538	\$ 60,355	\$ 62,166	\$ 47,762	\$ 159,884	\$ 195,716	\$ 122,159
Total Adjustments	\$ -	\$ 79,625	\$ -	\$ 180,353	\$ 159,538	\$ 60,355	\$ 62,166	\$ 47,762	\$ 159,884	\$ 195,716	\$ 122,159

Total Expenditures	\$ 1,997,050	\$ 2,122,607	\$ 2,083,842	\$ 2,312,123	\$ 2,342,471	\$ 2,297,861	\$ 2,360,085	\$ 2,407,725	\$ 2,583,565	\$ 2,684,837	\$ 2,678,486
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Unreserved Ending Fund Balance	\$ 2,546,250	\$ 1,864,077	\$ 1,211,106	\$ 332,322	\$ (584,614)	\$ (1,452,659)	\$ (2,370,487)	\$ (3,323,326)	\$ (4,439,187)	\$ (5,643,310)	\$ (6,827,876)
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Reserve for Capital Replacements	\$ 270,923	\$ 290,215	\$ 389,133	\$ 313,463	\$ 263,711	\$ 315,065	\$ 366,588	\$ 434,060	\$ 394,504	\$ 325,390	\$ 333,750
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	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Working Capital %											
Minimum Timber & Property Tax Revenue	\$ 965,500	\$ 976,495	\$ 987,655	\$ 998,982	\$ 1,010,479	\$ 1,022,149	\$ 1,033,994	\$ 1,046,016	\$ 1,058,219	\$ 1,070,605	\$ 1,083,176
Target Fund Balance	\$ 1,502,178	\$ 1,568,963	\$ 1,693,704	\$ 1,677,463	\$ 1,670,411	\$ 1,760,208	\$ 1,866,521	\$ 1,988,779	\$ 2,018,322	\$ 2,012,390	\$ 2,074,749

Diff. Between Ending & Target Fund Balances	\$ 1,044,072	\$ 295,114	\$ (482,598)	\$ (1,345,141)	\$ (2,255,025)	\$ (3,212,867)	\$ (4,237,008)	\$ (5,312,104)	\$ (6,457,510)	\$ (7,655,700)	\$ (8,902,626)
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Status Quo Scenario with the Lowest Timber Tax Revenues

Revenues											
	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Beginning Balance	\$3,045,900	\$2,546,250	\$ 1,495,753	\$ 467,091	\$ (797,129)	\$(2,090,364)	\$(3,326,734)	\$(4,612,885)	\$(5,934,048)	\$(7,418,234)	\$(8,990,680)
Property Taxes Current Year	\$ 733,000	\$ 743,995	\$ 755,155	\$ 766,482	\$ 777,979	\$ 789,649	\$ 801,494	\$ 813,516	\$ 825,719	\$ 838,105	\$ 850,676
Property Taxes Prior Year	\$ 36,000	\$ 36,540	\$ 37,088	\$ 37,644	\$ 38,209	\$ 38,782	\$ 39,364	\$ 39,954	\$ 40,554	\$ 41,162	\$ 41,779
Land Sales	\$ 500	\$ 512	\$ 522	\$ 534	\$ 547	\$ 560	\$ 575	\$ 591	\$ 607	\$ 623	\$ 640
West Oregon Severance Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on Investments	\$ 46,000	\$ 58,564	\$ 29,915	\$ 10,743	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Timber Sales	\$ 681,900	\$ 232,500	\$ 232,500	\$ 232,500	\$ 232,500	\$ 232,500	\$ 232,500	\$ 232,500	\$ 232,500	\$ 232,500	\$ 232,500
Cops Fast Grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$4,543,300	\$3,618,360	\$ 2,550,933	\$ 1,514,995	\$ 252,107	\$(1,028,873)	\$(2,252,801)	\$(3,526,324)	\$(4,834,669)	\$(6,305,844)	\$(7,865,085)
Expenditures											
	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Personnel Services	\$1,433,700	\$1,466,675	\$ 1,496,009	\$ 1,530,417	\$ 1,567,147	\$ 1,606,325	\$ 1,649,696	\$ 1,694,238	\$ 1,739,982	\$ 1,786,962	\$ 1,835,210
Material Supplies	\$ 236,600	\$ 242,042	\$ 246,883	\$ 252,561	\$ 258,622	\$ 265,088	\$ 272,245	\$ 279,596	\$ 287,145	\$ 294,898	\$ 302,860
Other Charges	\$ 134,700	\$ 137,798	\$ 140,554	\$ 143,787	\$ 147,238	\$ 150,919	\$ 154,993	\$ 159,178	\$ 163,476	\$ 167,890	\$ 172,423
Capital Outlay	\$ 25,850	\$ 26,445	\$ 26,973	\$ 27,594	\$ 28,256	\$ 28,962	\$ 29,744	\$ 30,548	\$ 31,372	\$ 32,219	\$ 33,089
Transfer Out	\$ 166,200	\$ 170,023	\$ 173,423	\$ 177,412	\$ 181,670	\$ 186,211	\$ 191,239	\$ 196,403	\$ 201,705	\$ 207,151	\$ 212,745
Subtotal Expenditures	\$1,997,050	\$2,042,982	\$ 2,083,842	\$ 2,131,770	\$ 2,182,933	\$ 2,237,506	\$ 2,297,919	\$ 2,359,962	\$ 2,423,681	\$ 2,489,121	\$ 2,556,327
Contingency											
Total Expenditures	\$1,997,050	\$2,042,982	\$ 2,083,842	\$ 2,131,770	\$ 2,182,933	\$ 2,237,506	\$ 2,297,919	\$ 2,359,962	\$ 2,423,681	\$ 2,489,121	\$ 2,556,327
Adjustments											
	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Vehicle/Canine Replacement Cost		\$ 79,625	\$ -	\$ 180,353	\$ 159,538	\$ 60,355	\$ 62,166	\$ 47,762	\$ 159,884	\$ 195,716	\$ 122,159
Total Adjustments	\$ -	\$ 79,625	\$ -	\$ 180,353	\$ 159,538	\$ 60,355	\$ 62,166	\$ 47,762	\$ 159,884	\$ 195,716	\$ 122,159
Total Expenditures	\$1,997,050	\$2,122,607	\$ 2,083,842	\$ 2,312,123	\$ 2,342,471	\$ 2,297,861	\$ 2,360,085	\$ 2,407,725	\$ 2,583,565	\$ 2,684,837	\$ 2,678,486
Unreserved Ending Fund Balance	\$2,546,250	\$ 1,495,753	\$ 467,091	\$ (797,129)	\$(2,090,364)	\$(3,326,734)	\$(4,612,885)	\$(5,934,048)	\$(7,418,234)	\$(8,990,680)	\$(10,543,571)
Reserve for Capital Replacements	\$ 270,923	\$ 290,215	\$ 389,133	\$ 313,463	\$ 263,711	\$ 315,065	\$ 366,588	\$ 434,060	\$ 394,504	\$ 325,390	\$ 333,750
Working Capital %	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Minimum Timber & Property Tax Revenue	\$ 965,500	\$ 976,495	\$ 987,655	\$ 998,982	\$ 1,010,479	\$ 1,022,149	\$ 1,033,994	\$ 1,046,016	\$ 1,058,219	\$ 1,070,605	\$ 1,083,176
Target Fund Balance	\$1,502,178	\$1,568,963	\$1,693,704	\$1,677,463	\$1,670,411	\$1,760,208	\$1,866,521	\$1,988,779	\$2,018,322	\$2,012,390	\$2,074,749
Diff. Between Ending & Target Fund Balances	\$1,044,072	\$ (73,210)	\$(1,226,613)	\$(2,474,592)	\$(3,760,776)	\$(5,086,942)	\$(6,479,407)	\$(7,922,827)	\$(9,436,556)	\$(11,003,070)	\$(12,618,320)

Status Quo Scenario with the Highest Timber Tax Revenues

Revenues

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Beginning Balance	\$3,045,900	\$2,546,250	\$2,163,253	\$1,815,441	\$1,249,734	\$653,991	\$101,471	\$(514,440)	\$(1,168,103)	\$(1,984,789)	\$(2,889,735)
Property Taxes Current Year	\$733,000	\$743,995	\$755,155	\$766,482	\$777,979	\$789,649	\$801,494	\$813,516	\$825,719	\$838,105	\$850,676
Property Taxes Prior Year	\$36,000	\$36,540	\$37,088	\$37,644	\$38,209	\$38,782	\$39,364	\$39,954	\$40,554	\$41,162	\$41,779
Land Sales	\$500	\$512	\$522	\$534	\$547	\$560	\$575	\$591	\$607	\$623	\$640
West Oregon Severance Tax	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Interest on Investments	\$46,000	\$58,564	\$43,265	\$41,755	\$29,994	\$16,350	\$2,740	\$-	\$-	\$-	\$-
Timber Sales	\$681,900	\$900,000	\$900,000	\$900,000	\$900,000	\$900,000	\$900,000	\$900,000	\$900,000	\$900,000	\$900,000
Cops Fast Grant	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Miscellaneous Services	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Total Revenue	\$4,543,300	\$4,285,860	\$3,899,283	\$3,561,857	\$2,996,462	\$2,399,333	\$1,845,644	\$1,239,621	\$598,776	\$(204,898)	\$(1,096,639)

Expenditures

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Personnel Services	\$1,433,700	\$1,466,675	\$1,496,009	\$1,530,417	\$1,567,147	\$1,606,325	\$1,649,696	\$1,694,238	\$1,739,982	\$1,786,962	\$1,835,210
Material Supplies	\$236,600	\$242,042	\$246,883	\$252,561	\$258,622	\$265,088	\$272,245	\$279,596	\$287,145	\$294,898	\$302,860
Other Charges	\$134,700	\$137,798	\$140,554	\$143,787	\$147,238	\$150,919	\$154,993	\$159,178	\$163,476	\$167,890	\$172,423
Capital Outlay	\$25,850	\$26,445	\$26,973	\$27,594	\$28,256	\$28,962	\$29,744	\$30,548	\$31,372	\$32,219	\$33,089
Transfer Out	\$166,200	\$170,023	\$173,423	\$177,412	\$181,670	\$186,211	\$191,239	\$196,403	\$201,705	\$207,151	\$212,745
Subtotal Expenditures	\$1,997,050	\$2,042,982	\$2,083,842	\$2,131,770	\$2,182,933	\$2,237,506	\$2,297,919	\$2,359,962	\$2,423,681	\$2,489,121	\$2,556,327

Contingency

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Total Expenditures	\$1,997,050	\$2,042,982	\$2,083,842	\$2,131,770	\$2,182,933	\$2,237,506	\$2,297,919	\$2,359,962	\$2,423,681	\$2,489,121	\$2,556,327
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Adjustments

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Vehicle/Canine Replacement Cost		\$79,625	\$-	\$180,353	\$159,538	\$60,355	\$62,166	\$47,762	\$159,884	\$195,716	\$122,159
Total Adjustments	\$-	\$79,625	\$-	\$180,353	\$159,538	\$60,355	\$62,166	\$47,762	\$159,884	\$195,716	\$122,159

Total Expenditures	\$1,997,050	\$2,122,607	\$2,083,842	\$2,312,123	\$2,342,471	\$2,297,861	\$2,360,085	\$2,407,725	\$2,583,565	\$2,684,837	\$2,678,486
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Unreserved Ending Fund Balance	\$2,546,250	\$2,163,253	\$1,815,441	\$1,249,734	\$653,991	\$101,471	\$(514,440)	\$(1,168,103)	\$(1,984,789)	\$(2,889,735)	\$(3,775,126)
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Reserve for Capital Replacements	\$270,923	\$290,215	\$389,133	\$313,463	\$263,711	\$315,065	\$366,588	\$434,060	\$394,504	\$325,390	\$333,750
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Working Capital %	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Minimum Timber & Property Tax Revenue	\$965,500	\$976,495	\$987,655	\$998,982	\$1,010,479	\$1,022,149	\$1,033,994	\$1,046,016	\$1,058,219	\$1,070,605	\$1,083,176
Target Fund Balance	\$1,502,178	\$1,568,963	\$1,693,704	\$1,677,463	\$1,670,411	\$1,760,208	\$1,866,521	\$1,988,779	\$2,018,322	\$2,012,390	\$2,074,749

Diff. Between Ending & Target Fund Balances	\$1,044,072	\$594,290	\$121,737	\$(427,730)	\$(1,016,420)	\$(1,658,736)	\$(2,380,962)	\$(3,156,882)	\$(4,003,111)	\$(4,902,125)	\$(5,849,875)
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Appendix B
Status Quo Revenue and Expenditure Scenarios With
a Property Tax Increase

Status Quo Property Tax Increase Scenario With Average Timber Tax Revenues

Revenues

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Beginning Balance	\$3,045,900	\$2,546,250	\$2,047,327	\$1,584,019	\$902,602	\$190,973	\$(477,803)	\$(1,198,219)	\$(1,950,684)	\$(2,863,166)	\$(3,860,859)
Property Taxes Current Year	\$733,000	\$927,245	\$941,154	\$955,271	\$969,600	\$984,144	\$998,906	\$1,013,890	\$1,029,098	\$1,044,535	\$1,060,203
Property Taxes Prior Year	\$36,000	\$36,540	\$37,088	\$37,644	\$38,209	\$38,782	\$39,364	\$39,954	\$40,554	\$41,162	\$41,779
Land Sales	\$500	\$512	\$522	\$534	\$547	\$560	\$575	\$591	\$607	\$623	\$640
West Oregon Severance Tax	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Interest on Investments	\$46,000	\$58,564	\$40,947	\$36,432	\$21,662	\$4,774	\$-	\$-	\$-	\$-	\$-
Timber Sales	\$681,900	\$600,824	\$600,824	\$600,824	\$600,824	\$600,824	\$600,824	\$600,824	\$600,824	\$600,824	\$600,824
Cops Fast Grant	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Miscellaneous Services	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Total Revenue	\$4,543,300	\$4,169,934	\$3,667,861	\$3,214,725	\$2,533,444	\$1,820,058	\$1,161,866	\$457,040	\$(279,601)	\$(1,176,023)	\$(2,157,413)

Expenditures

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Personnel Services	\$1,433,700	\$1,466,675	\$1,496,009	\$1,530,417	\$1,567,147	\$1,606,325	\$1,649,696	\$1,694,238	\$1,739,982	\$1,786,962	\$1,835,210
Material Supplies	\$236,600	\$242,042	\$246,883	\$252,561	\$258,622	\$265,088	\$272,245	\$279,596	\$287,145	\$294,898	\$302,860
Other Charges	\$134,700	\$137,798	\$140,554	\$143,787	\$147,238	\$150,919	\$154,993	\$159,178	\$163,476	\$167,890	\$172,423
Capital Outlay	\$25,850	\$26,445	\$26,973	\$27,594	\$28,256	\$28,962	\$29,744	\$30,548	\$31,372	\$32,219	\$33,089
Transfer Out	\$166,200	\$170,023	\$173,423	\$177,412	\$181,670	\$186,211	\$191,239	\$196,403	\$201,705	\$207,151	\$212,745
Subtotal Expenditures	\$1,997,050	\$2,042,982	\$2,083,842	\$2,131,770	\$2,182,933	\$2,237,506	\$2,297,919	\$2,359,962	\$2,423,681	\$2,489,121	\$2,556,327

Contingency											
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Total Expenditures	\$1,997,050	\$2,042,982	\$2,083,842	\$2,131,770	\$2,182,933	\$2,237,506	\$2,297,919	\$2,359,962	\$2,423,681	\$2,489,121	\$2,556,327
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Adjustments

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Vehicle/Canine Replacement Cost		\$79,625	\$-	\$180,353	\$159,538	\$60,355	\$62,166	\$47,762	\$159,884	\$195,716	\$122,159
Total Adjustments	\$-	\$79,625	\$-	\$180,353	\$159,538	\$60,355	\$62,166	\$47,762	\$159,884	\$195,716	\$122,159

Total Expenditures	\$1,997,050	\$2,122,607	\$2,083,842	\$2,312,123	\$2,342,471	\$2,297,861	\$2,360,085	\$2,407,725	\$2,583,565	\$2,684,837	\$2,678,486
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Unreserved Ending Fund Balance	\$2,546,250	\$2,047,327	\$1,584,019	\$902,602	\$190,973	\$(477,803)	\$(1,198,219)	\$(1,950,684)	\$(2,863,166)	\$(3,860,859)	\$(4,835,900)
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Reserve for Capital Replacements	\$270,923	\$290,215	\$389,133	\$313,463	\$263,711	\$315,065	\$366,588	\$434,060	\$394,504	\$325,390	\$333,750
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	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Working Capital %	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Minimum Timber & Property Tax Revenue	\$965,500	\$1,159,745	\$1,173,654	\$1,187,771	\$1,202,100	\$1,216,644	\$1,231,406	\$1,246,390	\$1,261,598	\$1,277,035	\$1,292,703
Target Fund Balance	\$1,502,178	\$1,385,713	\$1,507,705	\$1,488,674	\$1,478,791	\$1,565,713	\$1,669,109	\$1,788,405	\$1,814,943	\$1,805,960	\$1,865,223

Diff. Between Ending & Target Fund Balances	\$1,044,072	\$661,614	\$76,314	\$(586,073)	\$(1,287,818)	\$(2,043,516)	\$(2,867,328)	\$(3,739,089)	\$(4,678,110)	\$(5,666,819)	\$(6,701,123)
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Status Quo Property Tax Increase Scenario With Low Timber Tax Revenues

Revenues

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Beginning Balance	\$3,045,900	\$2,546,250	\$1,679,003	\$840,005	\$(226,849)	\$(1,328,464)	\$(2,370,339)	\$(3,459,078)	\$(4,579,868)	\$(5,860,674)	\$(7,226,691)
Property Taxes Current Year	\$733,000	\$927,245	\$941,154	\$955,271	\$969,600	\$984,144	\$998,906	\$1,013,890	\$1,029,098	\$1,044,535	\$1,060,203
Property Taxes Prior Year	\$36,000	\$36,540	\$37,088	\$37,644	\$38,209	\$38,782	\$39,364	\$39,954	\$40,554	\$41,162	\$41,779
Land Sales	\$500	\$512	\$522	\$534	\$547	\$560	\$575	\$591	\$607	\$623	\$640
West Oregon Severance Tax	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Interest on Investments	\$46,000	\$58,564	\$33,580	\$19,320	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Timber Sales	\$681,900	\$232,500	\$232,500	\$232,500	\$232,500	\$232,500	\$232,500	\$232,500	\$232,500	\$232,500	\$232,500
Cops Fast Grant	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Miscellaneous Services	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Total Revenue	\$4,543,300	\$3,801,610	\$2,923,847	\$2,085,274	\$1,014,007	\$(72,478)	\$(1,098,994)	\$(2,172,143)	\$(3,277,109)	\$(4,541,854)	\$(5,891,569)

Expenditures

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Personnel Services	\$1,433,700	\$1,466,675	\$1,496,009	\$1,530,417	\$1,567,147	\$1,606,325	\$1,649,696	\$1,694,238	\$1,739,982	\$1,786,962	\$1,835,210
Material Supplies	\$236,600	\$242,042	\$246,883	\$252,561	\$258,622	\$265,088	\$272,245	\$279,596	\$287,145	\$294,898	\$302,860
Other Charges	\$134,700	\$137,798	\$140,554	\$143,787	\$147,238	\$150,919	\$154,993	\$159,178	\$163,476	\$167,890	\$172,423
Capital Outlay	\$25,850	\$26,445	\$26,973	\$27,594	\$28,256	\$28,962	\$29,744	\$30,548	\$31,372	\$32,219	\$33,089
Transfer Out	\$166,200	\$170,023	\$173,423	\$177,412	\$181,670	\$186,211	\$191,239	\$196,403	\$201,705	\$207,151	\$212,745
Subtotal Expenditures	\$1,997,050	\$2,042,982	\$2,083,842	\$2,131,770	\$2,182,933	\$2,237,506	\$2,297,919	\$2,359,962	\$2,423,681	\$2,489,121	\$2,556,327

Contingency											
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Total Expenditures	\$1,997,050	\$2,042,982	\$2,083,842	\$2,131,770	\$2,182,933	\$2,237,506	\$2,297,919	\$2,359,962	\$2,423,681	\$2,489,121	\$2,556,327
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Adjustments

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Vehicle/Canine Replacement Cost		\$79,625	\$-	\$180,353	\$159,538	\$60,355	\$62,166	\$47,762	\$159,884	\$195,716	\$122,159
Total Adjustments	\$-	\$79,625	\$-	\$180,353	\$159,538	\$60,355	\$62,166	\$47,762	\$159,884	\$195,716	\$122,159

Total Expenditures	\$1,997,050	\$2,122,607	\$2,083,842	\$2,312,123	\$2,342,471	\$2,297,861	\$2,360,085	\$2,407,725	\$2,583,565	\$2,684,837	\$2,678,486
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Unreserved Ending Fund Balance	\$2,546,250	\$1,679,003	\$840,005	\$(226,849)	\$(1,328,464)	\$(2,370,339)	\$(3,459,078)	\$(4,579,868)	\$(5,860,674)	\$(7,226,691)	\$(8,570,055)
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Reserve for Capital Replacements	\$270,923	\$290,215	\$389,133	\$313,463	\$263,711	\$315,065	\$366,588	\$434,060	\$394,504	\$325,390	\$333,750
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Working Capital %	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Minimum Timber & Property Tax Revenue	\$965,500	\$1,159,745	\$1,173,654	\$1,187,771	\$1,202,100	\$1,216,644	\$1,231,406	\$1,246,390	\$1,261,598	\$1,277,035	\$1,292,703
Target Fund Balance	\$1,502,178	\$1,385,713	\$1,507,705	\$1,488,674	\$1,478,791	\$1,565,713	\$1,669,109	\$1,788,405	\$1,814,943	\$1,805,960	\$1,865,223

Diff. Between Ending & Target Fund Balances	\$1,044,072	\$293,290	\$(667,700)	\$(1,715,523)	\$(2,807,255)	\$(3,936,052)	\$(5,128,187)	\$(6,368,273)	\$(7,675,617)	\$(9,032,651)	\$(10,435,278)
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Status Quo Property Tax Increase Scenario With High Timber Tax Revenues

Revenues

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Beginning Balance	\$3,045,900	\$2,546,250	\$2,346,503	\$2,188,355	\$1,820,013	\$1,429,578	\$1,090,943	\$699,159	\$264,747	\$ (341,411)	\$ (1,039,928)
Property Taxes Current Year	\$733,000	\$927,245	\$941,154	\$955,271	\$969,600	\$984,144	\$998,906	\$1,013,890	\$1,029,098	\$1,044,535	\$1,060,203
Property Taxes Prior Year	\$36,000	\$36,540	\$37,088	\$37,644	\$38,209	\$38,782	\$39,364	\$39,954	\$40,554	\$41,162	\$41,779
Land Sales	\$500	\$512	\$522	\$534	\$547	\$560	\$575	\$591	\$607	\$623	\$640
West Oregon Severance Tax	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Interest on Investments	\$46,000	\$58,564	\$46,930	\$50,332	\$43,680	\$35,739	\$29,455	\$18,877	\$7,148	\$-	\$-
Timber Sales	\$681,900	\$900,000	\$900,000	\$900,000	\$900,000	\$900,000	\$900,000	\$900,000	\$900,000	\$900,000	\$900,000
Cops Fast Grant	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Miscellaneous Services	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Total Revenue	\$4,543,300	\$4,469,110	\$4,272,197	\$4,132,136	\$3,772,049	\$3,388,804	\$3,059,244	\$2,672,471	\$2,242,154	\$1,644,909	\$962,694

Expenditures

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Personnel Services	\$1,433,700	\$1,466,675	\$1,496,009	\$1,530,417	\$1,567,147	\$1,606,325	\$1,649,696	\$1,694,238	\$1,739,982	\$1,786,962	\$1,835,210
Material Supplies	\$236,600	\$242,042	\$246,883	\$252,561	\$258,622	\$265,088	\$272,245	\$279,596	\$287,145	\$294,898	\$302,860
Other Charges	\$134,700	\$137,798	\$140,554	\$143,787	\$147,238	\$150,919	\$154,993	\$159,178	\$163,476	\$167,890	\$172,423
Capital Outlay	\$25,850	\$26,445	\$26,973	\$27,594	\$28,256	\$28,962	\$29,744	\$30,548	\$31,372	\$32,219	\$33,089
Transfer Out	\$166,200	\$170,023	\$173,423	\$177,412	\$181,670	\$186,211	\$191,239	\$196,403	\$201,705	\$207,151	\$212,745
Subtotal Expenditures	\$1,997,050	\$2,042,982	\$2,083,842	\$2,131,770	\$2,182,933	\$2,237,506	\$2,297,919	\$2,359,962	\$2,423,681	\$2,489,121	\$2,556,327

Contingency											
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Total Expenditures	\$1,997,050	\$2,042,982	\$2,083,842	\$2,131,770	\$2,182,933	\$2,237,506	\$2,297,919	\$2,359,962	\$2,423,681	\$2,489,121	\$2,556,327
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Adjustments

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Vehicle/Canine Replacement Cost		\$79,625	\$-	\$180,353	\$159,538	\$60,355	\$62,166	\$47,762	\$159,884	\$195,716	\$122,159
Total Adjustments	\$-	\$79,625	\$-	\$180,353	\$159,538	\$60,355	\$62,166	\$47,762	\$159,884	\$195,716	\$122,159

Total Expenditures	\$1,997,050	\$2,122,607	\$2,083,842	\$2,312,123	\$2,342,471	\$2,297,861	\$2,360,085	\$2,407,725	\$2,583,565	\$2,684,837	\$2,678,486
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Unreserved Ending Fund Balance	\$2,546,250	\$2,346,503	\$2,188,355	\$1,820,013	\$1,429,578	\$1,090,943	\$699,159	\$264,747	\$ (341,411)	\$ (1,039,928)	\$ (1,715,792)
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Reserve for Capital Replacements	\$270,923	\$290,215	\$389,133	\$313,463	\$263,711	\$315,065	\$366,588	\$434,060	\$394,504	\$325,390	\$333,750
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Working Capital %	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Minimum Timber & Property Tax Revenue	\$965,500	\$1,159,745	\$1,173,654	\$1,187,771	\$1,202,100	\$1,216,644	\$1,231,406	\$1,246,390	\$1,261,598	\$1,277,035	\$1,292,703
Target Fund Balance	\$1,502,178	\$1,385,713	\$1,507,705	\$1,488,674	\$1,478,791	\$1,565,713	\$1,669,109	\$1,788,405	\$1,814,943	\$1,805,960	\$1,865,223

Diff. Between Ending & Target Fund Balances	\$1,044,072	\$960,790	\$680,650	\$331,339	\$ (49,213)	\$ (474,770)	\$ (969,950)	\$ (1,523,658)	\$ (2,156,355)	\$ (2,845,888)	\$ (3,581,015)
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Appendix C
Revenue and Expenditure Scenarios With a Property
Tax Increase and Expenditure Reductions

Status Quo Property Tax Increase and Expenditure Reduction Scenario With Average Timber Tax Revenues

Revenues

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Beginning Balance	\$ 3,045,900	\$ 2,546,250	\$ 2,116,459	\$ 1,887,315	\$ 1,483,618	\$ 1,063,176	\$ 700,378	\$ 290,719	\$ (154,170)	\$ (758,834)	\$ (1,440,397)
Property Taxes Current Year	\$ 733,000	\$ 927,245	\$ 941,154	\$ 955,271	\$ 969,600	\$ 984,144	\$ 998,906	\$ 1,013,890	\$ 1,029,098	\$ 1,044,535	\$ 1,060,203
Property Taxes Prior Year	\$ 36,000	\$ 36,540	\$ 37,088	\$ 37,644	\$ 38,209	\$ 38,782	\$ 39,364	\$ 39,954	\$ 40,554	\$ 41,162	\$ 41,779
Land Sales	\$ 500	\$ 512	\$ 522	\$ 534	\$ 547	\$ 560	\$ 575	\$ 591	\$ 607	\$ 623	\$ 640
West Oregon Severance Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on Investments	\$ 46,000	\$ 58,564	\$ 42,329	\$ 43,408	\$ 35,607	\$ 26,579	\$ 18,910	\$ 7,849	\$ -	\$ -	\$ -
Timber Sales	\$ 681,900	\$ 600,824	\$ 600,824	\$ 600,824	\$ 600,824	\$ 600,824	\$ 600,824	\$ 600,824	\$ 600,824	\$ 600,824	\$ 600,824
Cops Fast Grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 4,543,300	\$ 4,169,934	\$ 3,738,375	\$ 3,524,996	\$ 3,128,404	\$ 2,714,066	\$ 2,358,958	\$ 1,953,828	\$ 1,516,912	\$ 928,310	\$ 263,049

Expenditures

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Personnel Services	\$ 1,433,700	\$ 1,466,675	\$ 1,496,009	\$ 1,530,417	\$ 1,567,147	\$ 1,606,325	\$ 1,649,696	\$ 1,694,238	\$ 1,739,982	\$ 1,786,962	\$ 1,835,210
Material Supplies	\$ 236,600	\$ 242,042	\$ 246,883	\$ 252,561	\$ 258,622	\$ 265,088	\$ 272,245	\$ 279,596	\$ 287,145	\$ 294,898	\$ 302,860
Other Charges	\$ 134,700	\$ 137,798	\$ 140,554	\$ 143,787	\$ 147,238	\$ 150,919	\$ 154,993	\$ 159,178	\$ 163,476	\$ 167,890	\$ 172,423
Capital Outlay	\$ 25,850	\$ 26,445	\$ 26,973	\$ 27,594	\$ 28,256	\$ 28,962	\$ 29,744	\$ 30,548	\$ 31,372	\$ 32,219	\$ 33,089
Transfer Out	\$ 166,200	\$ 170,023	\$ 173,423	\$ 177,412	\$ 181,670	\$ 186,211	\$ 191,239	\$ 196,403	\$ 201,705	\$ 207,151	\$ 212,745
Subtotal Expenditures	\$ 1,997,050	\$ 2,042,982	\$ 2,083,842	\$ 2,131,770	\$ 2,182,933	\$ 2,237,506	\$ 2,297,919	\$ 2,359,962	\$ 2,423,681	\$ 2,489,121	\$ 2,556,327

Contingency

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Total Expenditures	\$ 1,997,050	\$ 2,042,982	\$ 2,083,842	\$ 2,131,770	\$ 2,182,933	\$ 2,237,506	\$ 2,297,919	\$ 2,359,962	\$ 2,423,681	\$ 2,489,121	\$ 2,556,327
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Adjustments

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Vehicle/Canine Replacement Cost		\$ 79,625	\$ -	\$ 180,353	\$ 159,538	\$ 60,355	\$ 62,166	\$ 47,762	\$ 159,884	\$ 195,716	\$ 122,159
Sergeant Staff Reduction			\$ (91,753)	\$ (93,863)	\$ (96,116)	\$ (98,519)	\$ (101,179)	\$ (103,911)	\$ (106,716)	\$ (109,598)	\$ (112,557)
Sergeant Replace w/ Deputy				\$ (32,610)	\$ (33,392)	\$ (34,227)	\$ (35,151)	\$ (36,100)	\$ (37,075)	\$ (38,076)	\$ (39,104)
Deputy Reduction		\$ (69,131)	\$ (70,514)	\$ (72,136)	\$ (73,867)	\$ (75,714)	\$ (77,758)	\$ (79,858)	\$ (82,014)	\$ (84,228)	\$ (86,502)
Deputy Reduction			\$ (70,514)	\$ (72,136)	\$ (73,867)	\$ (75,714)	\$ (77,758)	\$ (79,858)	\$ (82,014)	\$ (84,228)	\$ (86,502)
Total Adjustments	\$ -	\$ 10,494	\$ (232,781)	\$ (90,392)	\$ (117,704)	\$ (223,818)	\$ (229,680)	\$ (251,964)	\$ (147,935)	\$ (120,414)	\$ (202,506)

Total Expenditures	\$ 1,997,050	\$ 2,053,476	\$ 1,851,061	\$ 2,041,378	\$ 2,065,228	\$ 2,013,688	\$ 2,068,238	\$ 2,107,998	\$ 2,275,746	\$ 2,368,707	\$ 2,353,821
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Unreserved Ending Fund Balance	\$ 2,546,250	\$ 2,116,459	\$ 1,887,315	\$ 1,483,618	\$ 1,063,176	\$ 700,378	\$ 290,719	\$ (154,170)	\$ (758,834)	\$ (1,440,397)	\$ (2,090,772)
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Reserve for Capital Replacements	\$ 270,923	\$ 290,215	\$ 389,133	\$ 313,463	\$ 263,711	\$ 315,065	\$ 366,588	\$ 434,060	\$ 394,504	\$ 325,390	\$ 333,750
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Working Capital %	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Minimum Timber Revenue Sales	\$ 965,500	\$ 1,159,745	\$ 1,173,654	\$ 1,187,771	\$ 1,202,100	\$ 1,216,644	\$ 1,231,406	\$ 1,246,390	\$ 1,261,598	\$ 1,277,035	\$ 1,292,703
Target Fund Balance	\$ 1,502,178	\$ 1,309,669	\$ 1,251,646	\$ 1,190,855	\$ 1,173,824	\$ 1,253,122	\$ 1,348,078	\$ 1,458,706	\$ 1,476,343	\$ 1,458,217	\$ 1,508,091

Diff. Between Ending & Target Fund Balance	\$ 1,044,072	\$ 806,790	\$ 635,669	\$ 292,762	\$ (110,648)	\$ (552,744)	\$ (1,057,359)	\$ (1,612,877)	\$ (2,235,177)	\$ (2,898,614)	\$ (3,598,863)
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Status Quo Property Tax Increase and Expenditure Reduction Scenario With Low Timber Tax Revenues

Revenues

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Beginning Balance	\$ 3,045,900	\$ 2,546,250	\$ 1,748,135	\$ 1,143,300	\$ 354,167	\$ (461,706)	\$ (1,219,407)	\$ (2,016,300)	\$ (2,837,363)	\$ (3,810,351)	\$ (4,860,238)
Property Taxes Current Year	\$ 733,000	\$ 927,245	\$ 941,154	\$ 955,271	\$ 969,600	\$ 984,144	\$ 998,906	\$ 1,013,890	\$ 1,029,098	\$ 1,044,535	\$ 1,060,203
Property Taxes Prior Year	\$ 36,000	\$ 36,540	\$ 37,088	\$ 37,644	\$ 38,209	\$ 38,782	\$ 39,364	\$ 39,954	\$ 40,554	\$ 41,162	\$ 41,779
Land Sales	\$ 500	\$ 512	\$ 522	\$ 534	\$ 547	\$ 560	\$ 575	\$ 591	\$ 607	\$ 623	\$ 640
West Oregon Severance Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on Investments	\$ 46,000	\$ 58,564	\$ 34,963	\$ 26,296	\$ 8,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Timber Sales	\$ 681,900	\$ 232,500	\$ 232,500	\$ 232,500	\$ 232,500	\$ 232,500	\$ 232,500	\$ 232,500	\$ 232,500	\$ 232,500	\$ 232,500
Cops Fast Grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 4,543,300	\$ 3,801,610	\$ 2,994,361	\$ 2,395,545	\$ 1,603,522	\$ 794,281	\$ 51,938	\$ (729,365)	\$ (1,534,604)	\$ (2,491,531)	\$ (3,525,116)

Expenditures

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Personnel Services	\$ 1,433,700	\$ 1,466,675	\$ 1,496,009	\$ 1,530,417	\$ 1,567,147	\$ 1,606,325	\$ 1,649,696	\$ 1,694,238	\$ 1,739,982	\$ 1,786,962	\$ 1,835,210
Material Supplies	\$ 236,600	\$ 242,042	\$ 246,883	\$ 252,561	\$ 258,622	\$ 265,088	\$ 272,245	\$ 279,596	\$ 287,145	\$ 294,898	\$ 302,860
Other Charges	\$ 134,700	\$ 137,798	\$ 140,554	\$ 143,787	\$ 147,238	\$ 150,919	\$ 154,993	\$ 159,178	\$ 163,476	\$ 167,890	\$ 172,423
Capital Outlay	\$ 25,850	\$ 26,445	\$ 26,973	\$ 27,594	\$ 28,256	\$ 28,962	\$ 29,744	\$ 30,548	\$ 31,372	\$ 32,219	\$ 33,089
Transfer Out	\$ 166,200	\$ 170,023	\$ 173,423	\$ 177,412	\$ 181,670	\$ 186,211	\$ 191,239	\$ 196,403	\$ 201,705	\$ 207,151	\$ 212,745
Subtotal Expenditures	\$ 1,997,050	\$ 2,042,982	\$ 2,083,842	\$ 2,131,770	\$ 2,182,933	\$ 2,237,506	\$ 2,297,919	\$ 2,359,962	\$ 2,423,681	\$ 2,489,121	\$ 2,556,327

Contingency

Contingency											
Total Expenditures	\$ 1,997,050	\$ 2,042,982	\$ 2,083,842	\$ 2,131,770	\$ 2,182,933	\$ 2,237,506	\$ 2,297,919	\$ 2,359,962	\$ 2,423,681	\$ 2,489,121	\$ 2,556,327

Adjustments

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Vehicle/Canine Replacement Cost		\$ 79,625	\$ -	\$ 180,353	\$ 159,538	\$ 60,355	\$ 62,166	\$ 47,762	\$ 159,884	\$ 195,716	\$ 122,159
Sergeant Staff Reduction			\$ (91,753)	\$ (93,863)	\$ (96,116)	\$ (98,519)	\$ (101,179)	\$ (103,911)	\$ (106,716)	\$ (109,598)	\$ (112,557)
Sergeant Replace w/ Deputy				\$ (32,610)	\$ (33,392)	\$ (34,227)	\$ (35,151)	\$ (36,100)	\$ (37,075)	\$ (38,076)	\$ (39,104)
Deputy Reduction		\$ (69,131)	\$ (70,514)	\$ (72,136)	\$ (73,867)	\$ (75,714)	\$ (77,758)	\$ (79,858)	\$ (82,014)	\$ (84,228)	\$ (86,502)
Deputy Reduction			\$ (70,514)	\$ (72,136)	\$ (73,867)	\$ (75,714)	\$ (77,758)	\$ (79,858)	\$ (82,014)	\$ (84,228)	\$ (86,502)
Total Adjustments	\$ -	\$ 10,494	\$ (232,781)	\$ (90,392)	\$ (117,704)	\$ (223,818)	\$ (229,680)	\$ (251,964)	\$ (147,935)	\$ (120,414)	\$ (202,506)

Total Expenditures	\$ 1,997,050	\$ 2,053,476	\$ 1,851,061	\$ 2,041,378	\$ 2,065,228	\$ 2,013,688	\$ 2,068,238	\$ 2,107,998	\$ 2,275,746	\$ 2,368,707	\$ 2,353,821
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Unreserved Ending Fund Balance	\$ 2,546,250	\$ 1,748,135	\$ 1,143,300	\$ 354,167	\$ (461,706)	\$ (1,219,407)	\$ (2,016,300)	\$ (2,837,363)	\$ (3,810,351)	\$ (4,860,238)	\$ (5,878,937)
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Reserve for Capital Replacements	\$ 270,923	\$ 290,215	\$ 389,133	\$ 313,463	\$ 263,711	\$ 315,065	\$ 366,588	\$ 434,060	\$ 394,504	\$ 325,390	\$ 333,750
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Working Capital %	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Minimum Timber Revenue Sales	\$ 965,500	\$ 1,159,745	\$ 1,173,654	\$ 1,187,771	\$ 1,202,100	\$ 1,216,644	\$ 1,231,406	\$ 1,246,390	\$ 1,261,598	\$ 1,277,035	\$ 1,292,703
Target Fund Balance	\$ 1,502,178	\$ 1,309,669	\$ 1,251,646	\$ 1,190,855	\$ 1,173,824	\$ 1,253,122	\$ 1,348,078	\$ 1,458,706	\$ 1,476,343	\$ 1,458,217	\$ 1,508,091

Diff. Between Ending & Target Fund Balan	\$ 1,044,072	\$ 438,466	\$ (108,346)	\$ (836,688)	\$ (1,635,530)	\$ (2,472,529)	\$ (3,364,378)	\$ (4,296,069)	\$ (5,286,693)	\$ (6,318,455)	\$ (7,387,028)
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Status Quo Property Tax Increase and Expenditure Reduction Scenario With High Timber Tax Revenues

Revenues

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Beginning Balance	\$ 3,045,900	\$ 2,546,250	\$ 2,415,635	\$ 2,491,650	\$ 2,401,029	\$ 2,301,781	\$ 2,269,124	\$ 2,200,998	\$ 2,106,861	\$ 1,858,259	\$ 1,526,045
Property Taxes Current Year	\$ 733,000	\$ 927,245	\$ 941,154	\$ 955,271	\$ 969,600	\$ 984,144	\$ 998,906	\$ 1,013,890	\$ 1,029,098	\$ 1,044,535	\$ 1,060,203
Property Taxes Prior Year	\$ 36,000	\$ 36,540	\$ 37,088	\$ 37,644	\$ 38,209	\$ 38,782	\$ 39,364	\$ 39,954	\$ 40,554	\$ 41,162	\$ 41,779
Land Sales	\$ 500	\$ 512	\$ 522	\$ 534	\$ 547	\$ 560	\$ 575	\$ 591	\$ 607	\$ 623	\$ 640
West Oregon Severance Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on Investments	\$ 46,000	\$ 58,564	\$ 48,313	\$ 57,308	\$ 57,625	\$ 57,545	\$ 61,266	\$ 59,427	\$ 56,885	\$ 50,173	\$ 41,203
Timber Sales	\$ 681,900	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000
Cops Fast Grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 4,543,300	\$ 4,469,110	\$ 4,342,711	\$ 4,442,407	\$ 4,367,009	\$ 4,282,812	\$ 4,269,236	\$ 4,214,860	\$ 4,134,005	\$ 3,894,752	\$ 3,569,870

Expenditures

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Personnel Services	\$ 1,433,700	\$ 1,466,675	\$ 1,496,009	\$ 1,530,417	\$ 1,567,147	\$ 1,606,325	\$ 1,649,696	\$ 1,694,238	\$ 1,739,982	\$ 1,786,962	\$ 1,835,210
Material Supplies	\$ 236,600	\$ 242,042	\$ 246,883	\$ 252,561	\$ 258,622	\$ 265,088	\$ 272,245	\$ 279,596	\$ 287,145	\$ 294,898	\$ 302,860
Other Charges	\$ 134,700	\$ 137,798	\$ 140,554	\$ 143,787	\$ 147,238	\$ 150,919	\$ 154,993	\$ 159,178	\$ 163,476	\$ 167,890	\$ 172,423
Capital Outlay	\$ 25,850	\$ 26,445	\$ 26,973	\$ 27,594	\$ 28,256	\$ 28,962	\$ 29,744	\$ 30,548	\$ 31,372	\$ 32,219	\$ 33,089
Transfer Out	\$ 166,200	\$ 170,023	\$ 173,423	\$ 177,412	\$ 181,670	\$ 186,211	\$ 191,239	\$ 196,403	\$ 201,705	\$ 207,151	\$ 212,745
Subtotal Expenditures	\$ 1,997,050	\$ 2,042,982	\$ 2,083,842	\$ 2,131,770	\$ 2,182,933	\$ 2,237,506	\$ 2,297,919	\$ 2,359,962	\$ 2,423,681	\$ 2,489,121	\$ 2,556,327

Contingency

Contingency											
Total Expenditures	\$ 1,997,050	\$ 2,042,982	\$ 2,083,842	\$ 2,131,770	\$ 2,182,933	\$ 2,237,506	\$ 2,297,919	\$ 2,359,962	\$ 2,423,681	\$ 2,489,121	\$ 2,556,327

Adjustments

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Vehicle/Canine Replacement Cost		\$ 79,625	\$ -	\$ 180,353	\$ 159,538	\$ 60,355	\$ 62,166	\$ 47,762	\$ 159,884	\$ 195,716	\$ 122,159
Sergeant Staff Reduction			\$ (91,753)	\$ (93,863)	\$ (96,116)	\$ (98,519)	\$ (101,179)	\$ (103,911)	\$ (106,716)	\$ (109,598)	\$ (112,557)
Sergeant Replace w/ Deputy				\$ (32,610)	\$ (33,392)	\$ (34,227)	\$ (35,151)	\$ (36,100)	\$ (37,075)	\$ (38,076)	\$ (39,104)
Deputy Reduction		\$ (69,131)	\$ (70,514)	\$ (72,136)	\$ (73,867)	\$ (75,714)	\$ (77,758)	\$ (79,858)	\$ (82,014)	\$ (84,228)	\$ (86,502)
Deputy Reduction			\$ (70,514)	\$ (72,136)	\$ (73,867)	\$ (75,714)	\$ (77,758)	\$ (79,858)	\$ (82,014)	\$ (84,228)	\$ (86,502)
Total Adjustments	\$ -	\$ 10,494	\$ (232,781)	\$ (90,392)	\$ (117,704)	\$ (223,818)	\$ (229,680)	\$ (251,964)	\$ (147,935)	\$ (120,414)	\$ (202,506)

Total Expenditures	\$ 1,997,050	\$ 2,053,476	\$ 1,851,061	\$ 2,041,378	\$ 2,065,228	\$ 2,013,688	\$ 2,068,238	\$ 2,107,998	\$ 2,275,746	\$ 2,368,707	\$ 2,353,821
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Unreserved Ending Fund Balance	\$ 2,546,250	\$ 2,415,635	\$ 2,491,650	\$ 2,401,029	\$ 2,301,781	\$ 2,269,124	\$ 2,200,998	\$ 2,106,861	\$ 1,858,259	\$ 1,526,045	\$ 1,216,049
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Reserve for Capital Replacements	\$ 270,923	\$ 290,215	\$ 389,133	\$ 313,463	\$ 263,711	\$ 315,065	\$ 366,588	\$ 434,060	\$ 394,504	\$ 325,390	\$ 333,750
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Working Capital %	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Minimum Timber Revenue Sales	\$ 965,500	\$ 1,159,745	\$ 1,173,654	\$ 1,187,771	\$ 1,202,100	\$ 1,216,644	\$ 1,231,406	\$ 1,246,390	\$ 1,261,598	\$ 1,277,035	\$ 1,292,703
Target Fund Balance	\$ 1,502,178	\$ 1,309,669	\$ 1,251,646	\$ 1,190,855	\$ 1,173,824	\$ 1,253,122	\$ 1,348,078	\$ 1,458,706	\$ 1,476,343	\$ 1,458,217	\$ 1,508,091

Diff. Between Ending & Target Fund Balan	\$ 1,044,072	\$ 1,105,966	\$ 1,240,004	\$ 1,210,174	\$ 1,127,957	\$ 1,016,002	\$ 852,920	\$ 648,155	\$ 381,916	\$ 67,828	\$ (292,041)
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Appendix D
Clatsop County Property Tax Increase And
Expenditure Reduction Scenarios

Clatsop County Property Tax Increase and Expenditure Reduction Scenario With Average Timber Tax Revenues and Two Year Revenue Stabilization

Revenues											
	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Beginning Balance	\$ 3,045,900	\$ 2,171,400	\$ 1,808,376	\$ 1,471,170	\$ 1,228,219	\$ 1,010,573	\$ 937,549	\$ 799,570	\$ 650,694	\$ 439,164	\$ 153,120
Property Taxes Current Year	\$ 733,000	\$ 996,000	\$ 1,025,880	\$ 1,056,656	\$ 1,088,356	\$ 1,121,007	\$ 1,154,637	\$ 1,189,276	\$ 1,224,954	\$ 1,261,703	\$ 1,299,554
Property Taxes Prior Year	\$ 36,000	\$ 36,540	\$ 37,088	\$ 37,644	\$ 38,209	\$ 38,782	\$ 39,364	\$ 39,954	\$ 40,554	\$ 41,162	\$ 41,779
Land Sales	\$ 500	\$ 512	\$ 522	\$ 534	\$ 547	\$ 560	\$ 575	\$ 591	\$ 607	\$ 623	\$ 640
West Oregon Severance Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on Investments	\$ 46,000	\$ 100,000	\$ 73,239	\$ 59,582	\$ 49,743	\$ 40,928	\$ 37,971	\$ 32,383	\$ 26,353	\$ 17,786	\$ 6,201
Timber Sales	\$ 681,900	\$ 600,824	\$ 600,824	\$ 600,824	\$ 600,824	\$ 600,824	\$ 600,824	\$ 600,824	\$ 600,824	\$ 600,824	\$ 600,824
Cops Fast Grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 4,543,300	\$ 3,905,276	\$ 3,545,929	\$ 3,226,411	\$ 3,005,897	\$ 2,812,674	\$ 2,770,920	\$ 2,662,598	\$ 2,543,986	\$ 2,361,262	\$ 2,102,119

Expenditures											
	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Personnel Services	\$ 1,433,700	\$ 1,538,300	\$ 1,569,066	\$ 1,605,155	\$ 1,643,678	\$ 1,684,770	\$ 1,730,259	\$ 1,776,976	\$ 1,824,954	\$ 1,874,228	\$ 1,924,832
Material Supplies	\$ 261,100	\$ 257,100	\$ 262,242	\$ 268,274	\$ 274,712	\$ 281,580	\$ 289,183	\$ 296,991	\$ 305,009	\$ 313,245	\$ 321,702
Other Charges	\$ 134,700	\$ 51,100	\$ 52,122	\$ 53,321	\$ 54,601	\$ 55,966	\$ 57,477	\$ 59,028	\$ 60,622	\$ 62,259	\$ 63,940
Capital Outlay	\$ 294,800	\$ 7,000	\$ 7,140	\$ 7,304	\$ 7,480	\$ 7,667	\$ 7,874	\$ 8,086	\$ 8,304	\$ 8,529	\$ 8,759
Transfer Out	\$ 191,200	\$ 152,400	\$ 155,448	\$ 159,023	\$ 162,840	\$ 166,911	\$ 171,417	\$ 176,046	\$ 180,799	\$ 185,681	\$ 190,694
Subtotal Expenditures	\$ 2,315,500	\$ 2,005,900	\$ 2,046,018	\$ 2,093,076	\$ 2,143,310	\$ 2,196,893	\$ 2,256,209	\$ 2,317,127	\$ 2,379,689	\$ 2,443,941	\$ 2,509,927
Contingency											
Total Expenditures	\$ 2,315,500	\$ 2,005,900	\$ 2,046,018	\$ 2,093,076	\$ 2,143,310	\$ 2,196,893	\$ 2,256,209	\$ 2,317,127	\$ 2,379,689	\$ 2,443,941	\$ 2,509,927

Adjustments											
	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Vehicle/Canine Replacement Cost		\$ 91,000	\$ 107,000	\$ 90,000	\$ 129,000	\$ 52,000	\$ 99,000	\$ 89,000	\$ 130,000	\$ 180,000	
Deputy Reduction			\$ (78,260)	\$ (80,059)	\$ (81,981)	\$ (84,030)	\$ (86,299)	\$ (88,629)	\$ (91,022)	\$ (93,480)	\$ (96,004)
Sergeant Reduction				\$ (104,825)	\$ (107,340)	\$ (110,024)	\$ (112,994)	\$ (116,045)	\$ (119,179)	\$ (122,396)	\$ (125,701)
Sr. Deputy Reduction					\$ (87,665)	\$ (89,857)	\$ (92,283)	\$ (94,774)	\$ (97,333)	\$ (99,961)	\$ (102,660)
Sr. Deputy Reduction						\$ (89,857)	\$ (92,283)	\$ (94,774)	\$ (97,333)	\$ (99,961)	\$ (102,660)
Adjustment for ending fund balance	\$ 56,400										
Total Adjustments	\$ 56,400	\$ 91,000	\$ 28,741	\$ (94,884)	\$ (147,986)	\$ (321,767)	\$ (284,859)	\$ (305,223)	\$ (274,867)	\$ (235,799)	\$ (427,025)
Total Expenditures	\$ 2,371,900	\$ 2,096,900	\$ 2,074,759	\$ 1,998,192	\$ 1,995,324	\$ 1,875,126	\$ 1,971,350	\$ 2,011,904	\$ 2,104,822	\$ 2,208,142	\$ 2,082,902

Unreserved Ending Fund Balance	\$ 2,171,400	\$ 1,808,376	\$ 1,471,170	\$ 1,228,219	\$ 1,010,573	\$ 937,549	\$ 799,570	\$ 650,694	\$ 439,164	\$ 153,120	\$ 19,217
Reserve for Capital Replacements	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Working Capital %	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Minimum Timber Revenue + Prop. Tax	\$ 965,500	\$ 1,228,500	\$ 1,258,380	\$ 1,289,156	\$ 1,320,856	\$ 1,353,507	\$ 1,387,137	\$ 1,421,776	\$ 1,457,454	\$ 1,494,203	\$ 1,532,054
Target Fund Balance	\$ 3,199,990	\$ 1,914,490	\$ 1,776,233	\$ 1,587,891	\$ 1,440,468	\$ 1,276,750	\$ 1,317,561	\$ 1,353,445	\$ 1,395,217	\$ 1,438,692	\$ 1,459,986
Diff. Between Ending & Target Fund Balances	\$(1,028,590)	\$(106,115)	\$(305,063)	\$(359,673)	\$(429,895)	\$(339,202)	\$(517,992)	\$(702,751)	\$(956,053)	\$(1,285,572)	\$(1,440,769)

Clatsop County Property Tax Increase and Expenditure Reduction Scenario With Average Timber Tax Revenues and One Year Revenue Stabilization

Revenues	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Beginning Balance	\$ 3,045,900	\$ 2,171,400	\$ 1,808,376	\$ 1,471,170	\$ 1,228,219	\$ 1,010,573	\$ 937,549	\$ 799,570	\$ 650,694	\$ 439,164	\$ 153,120
Property Taxes Current Year	\$ 733,000	\$ 996,000	\$ 1,025,880	\$ 1,056,656	\$ 1,088,356	\$ 1,121,007	\$ 1,154,637	\$ 1,189,276	\$ 1,224,954	\$ 1,261,703	\$ 1,299,554
Property Taxes Prior Year	\$ 36,000	\$ 36,540	\$ 37,088	\$ 37,644	\$ 38,209	\$ 38,782	\$ 39,364	\$ 39,954	\$ 40,554	\$ 41,162	\$ 41,779
Land Sales	\$ 500	\$ 512	\$ 522	\$ 534	\$ 547	\$ 560	\$ 575	\$ 591	\$ 607	\$ 623	\$ 640
West Oregon Severance Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on Investments	\$ 46,000	\$ 100,000	\$ 73,239	\$ 59,582	\$ 49,743	\$ 40,928	\$ 37,971	\$ 32,383	\$ 26,353	\$ 17,786	\$ 6,201
Timber Sales	\$ 681,900	\$ 600,824	\$ 600,824	\$ 600,824	\$ 600,824	\$ 600,824	\$ 600,824	\$ 600,824	\$ 600,824	\$ 600,824	\$ 600,824
Cops Fast Grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 4,543,300	\$ 3,905,276	\$ 3,545,929	\$ 3,226,411	\$ 3,005,897	\$ 2,812,674	\$ 2,770,920	\$ 2,662,598	\$ 2,543,986	\$ 2,361,262	\$ 2,102,119

Expenditures	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Personnel Services	\$ 1,433,700	\$ 1,538,300	\$ 1,569,066	\$ 1,605,155	\$ 1,643,678	\$ 1,684,770	\$ 1,730,259	\$ 1,776,976	\$ 1,824,954	\$ 1,874,228	\$ 1,924,832
Material Supplies	\$ 261,100	\$ 257,100	\$ 262,242	\$ 268,274	\$ 274,712	\$ 281,580	\$ 289,183	\$ 296,991	\$ 305,009	\$ 313,245	\$ 321,702
Other Charges	\$ 134,700	\$ 51,100	\$ 52,122	\$ 53,321	\$ 54,601	\$ 55,966	\$ 57,477	\$ 59,028	\$ 60,622	\$ 62,259	\$ 63,940
Capital Outlay	\$ 294,800	\$ 7,000	\$ 7,140	\$ 7,304	\$ 7,480	\$ 7,667	\$ 7,874	\$ 8,086	\$ 8,304	\$ 8,529	\$ 8,759
Transfer Out	\$ 191,200	\$ 152,400	\$ 155,448	\$ 159,023	\$ 162,840	\$ 166,911	\$ 171,417	\$ 176,046	\$ 180,799	\$ 185,681	\$ 190,694
Subtotal Expenditures	\$ 2,315,500	\$ 2,005,900	\$ 2,046,018	\$ 2,093,076	\$ 2,143,310	\$ 2,196,893	\$ 2,256,209	\$ 2,317,127	\$ 2,379,689	\$ 2,443,941	\$ 2,509,927

Contingency											
Total Expenditures	\$ 2,315,500	\$ 2,005,900	\$ 2,046,018	\$ 2,093,076	\$ 2,143,310	\$ 2,196,893	\$ 2,256,209	\$ 2,317,127	\$ 2,379,689	\$ 2,443,941	\$ 2,509,927

Adjustments	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Vehicle/Canine Replacement Cost		\$ 91,000	\$ 107,000	\$ 90,000	\$ 129,000	\$ 52,000	\$ 99,000	\$ 89,000	\$ 130,000	\$ 180,000	
Deputy Reduction			\$ (78,260)	\$ (80,059)	\$ (81,981)	\$ (84,030)	\$ (86,299)	\$ (88,629)	\$ (91,022)	\$ (93,480)	\$ (96,004)
Sergeant Reduction				\$ (104,825)	\$ (107,340)	\$ (110,024)	\$ (112,994)	\$ (116,045)	\$ (119,179)	\$ (122,396)	\$ (125,701)
Sr. Deputy Reduction					\$ (87,665)	\$ (89,857)	\$ (92,283)	\$ (94,774)	\$ (97,333)	\$ (99,961)	\$ (102,660)
Sr. Deputy Reduction						\$ (89,857)	\$ (92,283)	\$ (94,774)	\$ (97,333)	\$ (99,961)	\$ (102,660)
Adjustment for ending fund balance	\$ 56,400										
Total Adjustments	\$ 56,400	\$ 91,000	\$ 28,741	\$ (94,884)	\$ (147,986)	\$ (321,767)	\$ (284,859)	\$ (305,223)	\$ (274,867)	\$ (235,799)	\$ (427,025)

Total Expenditures	\$ 2,371,900	\$ 2,096,900	\$ 2,074,759	\$ 1,998,192	\$ 1,995,324	\$ 1,875,126	\$ 1,971,350	\$ 2,011,904	\$ 2,104,822	\$ 2,208,142	\$ 2,082,902
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Unreserved Ending Fund Balance	\$ 2,171,400	\$ 1,808,376	\$ 1,471,170	\$ 1,228,219	\$ 1,010,573	\$ 937,549	\$ 799,570	\$ 650,694	\$ 439,164	\$ 153,120	\$ 19,217
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Reserve for Capital Replacements	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
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Working Capital %	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Minimum Timber Revenue + Prop. Tax	\$ 965,500	\$ 1,228,500	\$ 1,258,380	\$ 1,289,156	\$ 1,320,856	\$ 1,353,507	\$ 1,387,137	\$ 1,421,776	\$ 1,457,454	\$ 1,494,203	\$ 1,532,054
Target Fund Balance	\$ 1,793,590	\$ 1,137,090	\$ 1,066,854	\$ 968,855	\$ 895,000	\$ 807,131	\$ 832,348	\$ 852,318	\$ 877,850	\$ 904,753	\$ 909,138

Diff. Between Ending & Target Fund Balances	\$ 377,810	\$ 671,286	\$ 404,316	\$ 259,363	\$ 115,573	\$ 130,417	\$ (32,779)	\$ (201,624)	\$ (438,686)	\$ (751,633)	\$ (889,921)
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Clatsop County No Property Tax Increase & Expenditure Reduction Scenario With Average Timber Tax Revenues and One Year Revenue Stabilization

Revenues

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Beginning Balance	\$ 3,045,900	\$ 2,171,400	\$ 1,567,366	\$ 972,159	\$ 453,310	\$ (59,078)	\$ (444,289)	\$ (899,635)	\$ (1,368,672)	\$ (1,902,967)	\$ (2,512,101)
Property Taxes Current Year	\$ 733,000	\$ 754,990	\$ 777,640	\$ 800,969	\$ 824,998	\$ 849,748	\$ 875,240	\$ 901,498	\$ 928,542	\$ 956,399	\$ 985,091
Property Taxes Prior Year	\$ 36,000	\$ 36,540	\$ 37,088	\$ 37,644	\$ 38,209	\$ 38,782	\$ 39,364	\$ 39,954	\$ 40,554	\$ 41,162	\$ 41,779
Land Sales	\$ 500	\$ 512	\$ 522	\$ 534	\$ 547	\$ 560	\$ 575	\$ 591	\$ 607	\$ 623	\$ 640
West Oregon Severance Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on Investments	\$ 46,000	\$ 100,000	\$ 63,478	\$ 39,372	\$ 18,359	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Timber Sales	\$ 681,900	\$ 600,824	\$ 600,824	\$ 600,824	\$ 600,824	\$ 600,824	\$ 600,824	\$ 600,824	\$ 600,824	\$ 600,824	\$ 600,824
Cops Fast Grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 4,543,300	\$ 3,664,266	\$ 3,046,917	\$ 2,451,502	\$ 1,936,247	\$ 1,430,837	\$ 1,071,715	\$ 643,231	\$ 201,855	\$ (303,959)	\$ (883,767)

Expenditures

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Personnel Services	\$ 1,433,700	\$ 1,538,300	\$ 1,569,066	\$ 1,605,155	\$ 1,643,678	\$ 1,684,770	\$ 1,730,259	\$ 1,776,976	\$ 1,824,954	\$ 1,874,228	\$ 1,924,832
Material Supplies	\$ 261,100	\$ 257,100	\$ 262,242	\$ 268,274	\$ 274,712	\$ 281,580	\$ 289,183	\$ 296,991	\$ 305,009	\$ 313,245	\$ 321,702
Other Charges	\$ 134,700	\$ 51,100	\$ 52,122	\$ 53,321	\$ 54,601	\$ 55,966	\$ 57,477	\$ 59,028	\$ 60,622	\$ 62,259	\$ 63,940
Capital Outlay	\$ 294,800	\$ 7,000	\$ 7,140	\$ 7,304	\$ 7,480	\$ 7,667	\$ 7,874	\$ 8,086	\$ 8,304	\$ 8,529	\$ 8,759
Transfer Out	\$ 191,200	\$ 152,400	\$ 155,448	\$ 159,023	\$ 162,840	\$ 166,911	\$ 171,417	\$ 176,046	\$ 180,799	\$ 185,681	\$ 190,694
Subtotal Expenditures	\$ 2,315,500	\$ 2,005,900	\$ 2,046,018	\$ 2,093,076	\$ 2,143,310	\$ 2,196,893	\$ 2,256,209	\$ 2,317,127	\$ 2,379,689	\$ 2,443,941	\$ 2,509,927

Contingency											
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Total Expenditures	\$ 2,315,500	\$ 2,005,900	\$ 2,046,018	\$ 2,093,076	\$ 2,143,310	\$ 2,196,893	\$ 2,256,209	\$ 2,317,127	\$ 2,379,689	\$ 2,443,941	\$ 2,509,927
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Adjustments

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Vehicle/Canine Replacement Cost		\$ 91,000	\$ 107,000	\$ 90,000	\$ 129,000	\$ 52,000	\$ 99,000	\$ 89,000	\$ 130,000	\$ 180,000	
Deputy Reduction			\$ (78,260)	\$ (80,059)	\$ (81,981)	\$ (84,030)	\$ (86,299)	\$ (88,629)	\$ (91,022)	\$ (93,480)	\$ (96,004)
Sergeant Reduction				\$ (104,825)	\$ (107,340)	\$ (110,024)	\$ (112,994)	\$ (116,045)	\$ (119,179)	\$ (122,396)	\$ (125,701)
Sr. Deputy Reduction					\$ (87,665)	\$ (89,857)	\$ (92,283)	\$ (94,774)	\$ (97,333)	\$ (99,961)	\$ (102,660)
Sr. Deputy Reduction						\$ (89,857)	\$ (92,283)	\$ (94,774)	\$ (97,333)	\$ (99,961)	\$ (102,660)
Adjustment for ending fund balance	\$ 56,400										
Total Adjustments	\$ 56,400	\$ 91,000	\$ 28,741	\$ (94,884)	\$ (147,986)	\$ (321,767)	\$ (284,859)	\$ (305,223)	\$ (274,867)	\$ (235,799)	\$ (427,025)

Total Expenditures	\$ 2,371,900	\$ 2,096,900	\$ 2,074,759	\$ 1,998,192	\$ 1,995,324	\$ 1,875,126	\$ 1,971,350	\$ 2,011,904	\$ 2,104,822	\$ 2,208,142	\$ 2,082,902
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Unreserved Ending Fund Balance	\$ 2,171,400	\$ 1,567,366	\$ 972,159	\$ 453,310	\$ (59,078)	\$ (444,289)	\$ (899,635)	\$ (1,368,672)	\$ (1,902,967)	\$ (2,512,101)	\$ (2,966,669)
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Reserve for Capital Replacements	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
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Working Capital %	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Minimum Timber Revenue + Prop. Tax	\$ 965,500	\$ 987,490	\$ 1,010,140	\$ 1,033,469	\$ 1,057,498	\$ 1,082,248	\$ 1,107,740	\$ 1,133,998	\$ 1,161,042	\$ 1,188,899	\$ 1,217,591
Target Fund Balance	\$ 1,793,590	\$ 1,378,100	\$ 1,315,095	\$ 1,224,543	\$ 1,158,359	\$ 1,078,390	\$ 1,111,745	\$ 1,140,096	\$ 1,174,262	\$ 1,210,058	\$ 1,223,601

Diff. Between Ending & Target Fund Balances	\$ 377,810	\$ 189,266	\$ (342,936)	\$ (771,233)	\$ (1,217,436)	\$ (1,522,679)	\$ (2,011,380)	\$ (2,508,769)	\$ (3,077,229)	\$ (3,722,159)	\$ (4,190,271)
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